

CONGRESSIONAL PRO & CON DIGEST

August-September, 1934

Federal Monies for Public Schools

Tracing the Policy of Congress

What Uncle Sam Now Spends on
Education, Regular and Emergency

The Sources of Federal Tax Revenues

Action by New Deal Congress on
Education

Should Grants Be Inaugurated For
Elementary and Secondary Schools?

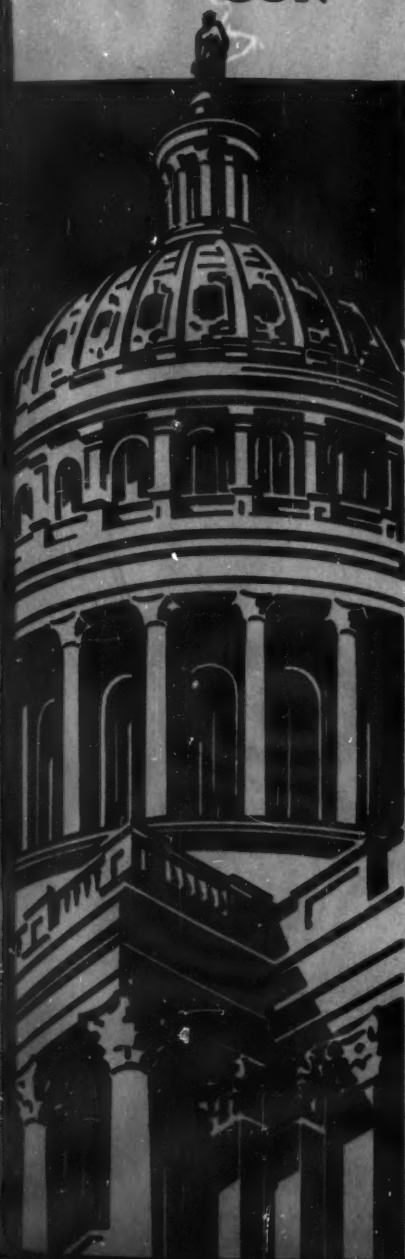
Arguments by Leading Authorities

Pro and Con



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(The Inter-state Debate Topic selected by the National Extension University Association and the National Forensic League for 1934-35. Full Wording: "Resolved that the Federal Government should adopt the policy of equalizing educational opportunity throughout the Nation by means of annual grants to the several States for public elementary and secondary education.")

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An Analysis of the Question with Outline for Study and Debate

THE question, chosen by the National Extension University Association and the National Forensic League as their inter-state debate topic for 1934-35, plunges the debaters into consideration of one of the most vital questions before the American public today. The question reads: "Resolved that the Federal Government should adopt the policy of equalizing educational opportunity throughout the Nation by means of annual grants to the several States for public elementary and secondary education."

At the outset, a warning should be sounded:

That is that the student be careful to separate, in his thought, the question of permanent Federal Aid for education from the question of temporary or emergency aid.

Permanent Federal Aid The Question

But the question for debate is not whether the Federal Government should lend temporary aid, but whether the Congress of the United States should enact legislation providing permanent Federal aid to elementary and secondary schools as a national and continuing policy.

Many who unhesitatingly approved the spending of money from the Federal Treasury for temporary aid are unalterably opposed to a policy of permanent Federal aid.

The manner in which the problem of emergency aid is being dealt with by the Roosevelt Administration is described in the article by Timon Covert, of the Office of Education, on page 200 of this number of the Digest. On page 204 will be found a brief resume of the legislative situation and on page 209 in the Pro and Con section will be found extracts from the report of the House Committee on Education, giving the position of that committee.

Throughout the Pro and Con section will be found references to emergency aid, but these references were left in by the editors simply because to remove them would destroy the context of the statements.

Having dismissed the question of emergency aid, so far as the purposes of debate are concerned, the student may proceed to the analysis of the question of the enactment by Congress of legislation establishing permanent Federal aid for elementary and secondary education.

The Constitution and the Powers of Congress

Any authority Congress may have to enact such legislation rests in the Constitution of the United States, either by direct authorization, by implication, or by the absence from the text of the Constitution of a provision prohibiting Congress from enacting such legislation, so the student

must start with the Constitution. The principal provisions of the Constitution covering these points will be found on page 195.

Being clear in his thought as to what Congress may and may not do, the debater is then in a position to present arguments for or against what he thinks Congress should or should not do. And this brings him to the merits of the question set for debate.

Points Involved in the Problem

Stripped to its essentials, the question would seem to involve the following points:

1. Should the Federal Government be called upon to furnish financial aid to the States for educational purposes or should each state accept the sole responsibility for educating its youth?

2. If the Federal Government furnishes financial aid to the States, should it give each state so much money each year to be spent for education as each state sees fit or should the proposed Federal appropriations be for specified types of education, such as elementary and secondary education, the designation of the types to be made by Congress?

3. Should the Federal Government have any voice whatever in the manner in which the funds it furnishes are expended, or, in other words should there be any degree of Federal control whatever over education throughout the States?

Congressional Precedents for Federal Aid

Question No. 1 appears to involve not a new departure but the extension of a system already set up. The article beginning on page 197 shows that Congress has been giving grants of one sort or another to the States in aid of education since 1803. Since 1362 it has been giving money grants in aid of agricultural education and since 1917 it has been giving annual grants for vocational education.

Question No. 2 is confronted with the same condition. Already Congress is appropriating money each year for special types of education, as described in Mr. Covert's article on page 200 referred to above, and by special articles beginning on page 198, describing the work of the Land Grant Colleges, of the Agricultural Experiment Stations and Vocational Education.

The same is true of Question No. 3. By the terms of some of the existing Acts of Congress granting aid to special types of education, the States are today called upon to meet certain definite requirements before they may receive Federal funds, indicating a measure of Federal control.

Problem far from Simple

If the general question were as simply as all this, however, there would seem to be little need for argument. One could simply say that the Federal Government is already granting aid to the States; is already granting annual financial aid to several special types of education and is already partially controlling education in the States by laying down rules under which the States must conduct themselves if they are to receive Federal aid, and ask: Why not simply extend this system to elementary and secondary education?

Varying Shades of Opinion Among Experts

The problem, however, is not so simple as it would seem from the above analysis. Men and women who have given conscientious study to it vary sharply in their views. Extremists on one side are convinced that the soundest policy is for each state to assume sole responsibility for the education of its own youth. Extremists on the other maintain that the Federal Government should support and control public education throughout the entire United States. In between these two extremes are varying shades of thought.

Some maintain that the Federal Government should supplement the funds of the less wealthy States with Federal funds and that the Federal Government, in doing so, should not only decide what the needs of each State are but should at least fix a minimum standard for each pupil, if not outline an entire course for them.

The opposing view is that, although Federal funds would be not only welcome but are really necessary, each State should be given a specified amount out of the Federal Treasury each year and be left to use it as it sees fit.

On this phase of the argument there are many divergencies of opinion, there being varying views as to the formula under which the funds should be distributed to each state.

Opposition to Possible Federal Control

The strongest opposition to general Federal aid comes from those who object to it on the ground that, no matter what form it takes, general Federal aid will, in the end, lead to Federal control and domination of State educational systems. Their main point is that who furnishes the money will inevitably exercise the control.

It was on this point that the proposed legislation for a Federal Department of Education was defeated in Congress some ten years ago. The majority of the Senate and House feared that the creation of a Federal Department of Education would lead to Federal control, and therefore refused to vote for the bill.

Aid for Special Types of Education

Another vital phase of the question is that involving Federal aid for special types of education.

There are those who believe that existing annual appropriations for the Land Grant Colleges, the Agricultural Experiment Stations, Vocational Education and all the lesser provisions for special types are founded on an unsound principle and should be repealed. These types they would have provided for by each State out of its own funds, plus Federal funds allotted to each State, the latter to be used as the State desires.

The view of this group is that the term "elementary and secondary education" applies to a certain type of class of pupils, namely those attending the grade schools and the high schools and that therefore, Federal funds for ele-

mentary and secondary education would be special-type funds.

In short, opinion on the question has not crystallized to the point where a clean cut line up is possible. For this reason the Digest, in its Pro and Con section, has sought to bring out comment on all phases as expressed by those qualified to speak.

The Class Room Studies an Education Aid Bill

Not only for debate, but also for class room study does this question present interesting possibilities. Classes in government and politics using the Congressional Digest Handbook find themselves in the exact position of the Congress of the United States in regard to the question of permanent aid for elementary and secondary education. There is no bill pending in Congress on this subject and when the Seventy-fourth Congress meets on January 7, 1935, new legislation will have to be introduced if the subject is to receive consideration.

Sample of Bill

To make its start the class may introduce the following skeleton bill as a working draft:

To provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in elementary and secondary public education.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the cooperation of the Federal Government with the several states and Territories and the District of Columbia in elementary and secondary public education is essential to the welfare of the country.

The sum of (\$) is hereby authorized to be appropriated annually for the purpose to be divided proportionately among the several States and Territories and the District of Columbia in the following manner:

The class may then discuss this bill in committee and amend it in any way the class sees fit.

The amount of money is left blank for the committee to determine. The method of apportionment of the money to the States is also left unsettled in order that the class may work out a method of its own.

If the class sits as a House Committee, it will be as the House Committee on Education. If as a Senate Committee, the Senate Committee on Education and Labor.

Neither of these committees has the power to handle actual appropriations. They may state the amount of money desired, however, in a bill, after which the bill must go to the Committee on Appropriations, which approves or disapproves the amount of money mentioned as it sees fit.

The class, however, may easily resolve itself into the Committee on Appropriations to pass on the money involved.

Political Aspects

Except for the fact that a Democratic-controlled Committee of the House went on record at the past session against permanent Federal aid, and the fact that President Roosevelt has refrained from making it part of his recovery program, party politics has so far played no part in the discussions of this subject. (See page 205).

The Morrill Act of 1862, providing aid for Land Grant Colleges and the Hatch Act for Agricultural Experiment Stations were both enacted under Republican Administrations, while the Smith-Hughes Act establishing aid for Vocational Education was enacted under a Democratic Administration.

The United States Constitution and Education

WHILE the Constitution of the United States contains no specific mention of the word "education," a number of its provisions are cited by competent authorities as giving Congress the power to enact legislation providing for participation by the Federal Government in education by various methods, from direct grants of money to indirect aids in the matter of the free dissemination of information and knowledge, etc.

For consideration of the authority granted by the Constitution to the Federal Congress to enact legislation for direct or indirect grants or aids to education, but three provisions of the Constitution need be cited. They are:

The "General Welfare" Clause

"Art. I, Sec. 8, Par. 1. The Congress shall have Power to lay and collect Taxes, Duties, Imports and Excises, to pay the Debts and provide for the common Defense and General Welfare of the United States: * * *

The section of Article I, given above, is commonly known as "the general welfare" clause of the Constitution and has been considered as the authority for a great deal of legislation by Congress appropriating Federal funds for special or general use, and particularly in the Acts providing funds for Land Grant Colleges, Agricultural Experiment Stations and Vocational Education.

Protection to the States

"Art. X. (Tenth Amendment). The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

The Tenth Amendment renders it impossible for the Federal Government to force a state to accept a type of education it does not desire, the implication, as far as education is concerned, being that education is a prerogative left to the states or to the people.

Protection to Citizens

"Art. XIV. (Fourteenth Amendment) Sec. 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside."

The provisions of the Fourteenth Amendment have frequently been cited by Federal Courts in setting aside state school laws or municipal regulations which were deemed by the courts to interfere with the Constitutional rights of citizens of the United States.

The "Oregon Case"

In 1922 the State of Oregon enacted a law requiring all children between the ages of 8 and 16 to attend public schools unless excused by the county school superintendent. Suits were brought and carried to the Supreme Court of the United States, which declared the Oregon law unconstitutional on the ground that "we think it entirely plain that the (Oregon) Act of 1922 unreasonably interferes with the liberty of parents and guardians

to direct the upbringing and education of children under their control * * *."

The "Nebraska Case"

In 1919 the Nebraska Legislature enacted a law prohibiting the teaching of any foreign language in public, private or parochial schools to pupils until they had passed the eighth grade. A teacher in the Zion Parochial School was tried, convicted and fined in the District Court for Hamilton County, Nebraska, for teaching German to a ten-year-old boy who had not passed the eighth grade. The State Supreme Court confirmed this decision but the Supreme Court of the United States reversed it, on the ground that:

"Plaintiff in error taught this language (German) in school as part of his occupation. His right, thus to teach, and the right of the parents so to instruct their children, we think are within the liberty of the (Fourteenth) Amendment."

Various other provisions of the Constitution are cited as having a bearing on the powers of the Federal Government to deal with educational matters; such as the granting of copyrights, the dissemination of free information by the Government under the postal franking privilege, etc., etc. The three provisions given above would seem, however, to be the only vital ones to consider in discussing Federal financial aid to schools.

Acts of Congress Relating to Education, Since 1803

With Digest of Provisions by W. C. Gilbert

Legislative Reference Service, Library of Congress (May, 1934)

1803—Act of March 3, 1803 (2 Stat. 225 c. 21) "School land grants." This was the first of a long line of acts by which Congress has granted to the States a portion of the public lands for the purpose of maintaining public schools. The grant usually is of section 16 and 36 in each township.

This first act was a grant to Ohio. It was followed by grants to Indiana, Illinois, Alabama, Missouri, Arkansas, Michigan, Iowa, Wisconsin, California, Minnesota, Oregon, Kansas, Nebraska, Colorado, Nevada, North Dakota, South Dakota, Montana, Washington, Idaho, Wyoming, Utah, Oklahoma, New Mexico and Arizona.

1818—Act of April 18, 1818 (3 Stat. 430 §6) "Five per cent fund." Grant to Illinois, in connection with admission of the State, of 5% of receipts from sales of public lands— $\frac{1}{4}$ to be "for the encouragement of learning." This was the first of a number of such enactments. Similar provision was made in the

case of Florida (3 Stat. 788 §1). Nebraska (13 Stat. 49 §12) "for the support of common schools"; North and South Dakota, Montana and Washington (25 Stat. 680 §13); Idaho (26 Stat. 216 §7); Wyoming (26 Stat. 223 §7); Utah (28 Stat. 110 §9); Oklahoma (34 Stat. 274 §11); California (34 Stat. 518 c. 3557); New Mexico (36 Stat. 363 §9); Arizona (36 Stat. 574 §27).

Act of April 18, 1818 (3 Stat. 430 §6) "University lands." The enabling acts of the various public land States usually have contained a special provision for the benefit of a State university. The first, as here noted, was to Illinois; "36 sections or one entire township" for the use of a "seminary of learning." This was "in addition to the one heretofore reserved for that purpose." Subsequent grants, in somewhat varying form (but usually, of 72 sections of land) were made in the following cases: Missouri (3 Stat. 547 §6); University of Michigan (4 Stat. 180 c. 90); Arkansas (5 Stat. 59 c. 120); Michigan (5 Stat. 59 c. 121); Wisconsin (5 Stat. 244 c. 110; 9 Stat. 58 §7); Minnesota (11 Stat. 167 §5); Oregon (11 Stat. 383 §4); Kansas (12 Stat. 127 §3); Nebraska (13 Stat. 49 §10); Colorado (18 Stat. 475 §10); Alabama (23 Stat. 12); North Dakota, Montana, South Dakota and Washington (25 Stat. 680 §14, 681 §17); Idaho (26 Stat. 216 §8, 217 §11); Wyoming (26 Stat. 223 §8); Mississippi (28 Stat. 94 c. 110); Utah (28 Stat. 109 §8); Oklahoma (34 Stat. 273 §8); New Mexico and Arizona (36 Stat. 562 §7, 573 §25).

1862—Act of July 2, 1862 (12 Stat. 503) as amended March 3, 1883 (22 Stat. 484) and April 13, 1926 (44 Stat. 247 c. 130; U.S.C. 7; 301ff). "Agricultural and Mechanical Colleges." Grant of land to the several States (30,000 acres for each Senator and Representative to which State entitled under census of 1860), the proceeds to be invested in United States State or "other safe bonds," etc.; the interest to be "inviolably appropriated to the endowment, support and maintenance of at least one college where the leading object shall be . . . to teach such branches of learning as are related to agriculture and the mechanic arts."

Each college to make annual report to the Secretary of the Interior. The original act was extended to West Virginia (13 Stat. 47 c. 58); Tennessee (14 Stat. 569) and Nebraska (15 Stat. 13); and grants were made for the agricultural colleges in the enabling acts for South and North Dakota, Montana and Washington (25 Stat. 681 §16, 17); Idaho (26 Stat. 216 §10); Wyoming (26 Stat. 224 §10); Oklahoma (34 Stat. 273 §8); New Mexico (36 Stat. 562 §7), and Arizona (36 Stat. 573 §25). Grant was also made to Mississippi in 1895 (28 Stat. 673 c. 106), and Colorado in 1907 (34 Stat. 1246 c. 2565).

R. S. 441 (U.S.C. 5; 485). Secretary of the Interior charged with supervision of public business relating to Education.

R. S. 516 (U.S.C. 20; 1). Office of Education, in Interior Department to collect statistics and "diffuse information" to aid the people of the United States "in the establishment and maintenance of efficient school systems."

1883—Act of March 3, 1883 (22 Stat. 629; U.S.C. 20; 64). Distribution of duplicate specimens from National Museum and Fish Commission to colleges, academies, etc.

1890—Act of August 30, 1890 (26 Stat. 417 c. 841). Permanent annual appropriation (out of the public land proceeds, in addition to land grants under Morrill Act) for each State for the use of its "agricultural and mechanical college," increasing from \$15,000 to a maximum of \$25,000 a year "to be applied only to instruction in agriculture, the mechanic arts, the English language and the various branches of mathematical, physical, natural and economic science, with special reference to their applications in the industries of life, and to the facilities for such instruction."

By act of June 17, 1902 (32 Stat. 388; U.S.C. 25; 421), deficiencies in public land receipts for purposes of this appropriation were to be made up out of the general funds in the Treasury.

1895—Act of March 2, 1895 (28 Stat. 826; U.S.C. 34; 1127). Retired Navy and Marine Corps officers may on their own application, be detailed "to service as a teacher or professor in any school or college."

1896—Act of May 28, 1896 (29 Stat. 171; U.S.C. 20; 3). Bureau of Education to publish bulletin on educational topics "deemed of value to the educational interests of the States."

Act of June 10, 1896 (29 Stat. 345). Policy of United States declared, not to appropriate for education in any sectarian school. (This provision occurred in an Indian appropriation act, and

may well be considered as limited to Indians, in which case it would be superseded by the provision of March 2, 1917 (39 Stat. 968) which specifically stated the policy, not to appropriate "for education of Indian children in any sectarian school.")

1897—Act of June 4, 1897 (30 Stat. 36; U.S.C. 16; 479). Settlers within limits of forest reserves entitled to occupy lands for school houses.

1901—Act of March 3, 1901 (31 Stat. 1039) as amended May 14, 1928 (45 Stat. 531). Facilities of various Government establishments to be made available for use by "students and graduates of institutions of learning in the several States."

1907—Act of March 4, 1907 (34 Stat. 1281; U.S.C. 7; 322)—amended by Executive Order 6166 §18 of June 10, 1933, and No. 6221 of July 26, 1933. Increase of annual appropriation under act of 1890, up to a maximum of \$50,000 to each State. This money was to be available in part for "courses for the special preparation of instructors for teaching the elements of agriculture and the mechanic arts."

The Executive Orders noted cut this down by $\frac{3}{4}$, effective March 5, 1934.*

1908—Act of May 23, 1908 (35 Stat. 260; U.S.C. 16; 500). Twenty-five per cent of national forest receipts to be paid to States for use of public schools of the counties involved.

A similar provision was made in regard to receipts from national forests acquired under the Weeks Act by act of March 1, 1911 (36 Stat. 963 §13) as amended by 38 Stat. 441 (U.S.C. 16; 500).

1909—Act of March 4, 1909 (35 Stat. 1083 §31; U.S.C. 17; 31). Prohibition on importation of books copyrighted in United States but manufactured abroad, not applicable to importations for any school, college or university.

Same, p. 1082 §28. Penalty for infringement of copyright not applicable in case of performance of oratories, etc., by public schools for educational purposes.

1911—Act of March 4, 1911 (36 Stat. 1353 c. 265; U.S.C. 34; 1121ff). Loan of naval vessels and equipment, detail of Navy officers, and annual appropriations up to \$25,000 in any one case, "for the benefit of any nautical school or school or college having a nautical branch," at 10 named ports.

This provision may possibly supersede the earlier acts authorizing loan of naval equipment "to one well-established military school" in any state having seacoast line or bordering the Great Lakes, to promote "instruction in elementary seamanship." [See 34 Stat. 620 c. 3612 and 36 Stat. 613.]

1912—Act of August 24, 1912 (37 Stat. 550; U.S.C. 39; 229). Publications of any "regularly established State institution of learning supported in whole or in part by public taxation" admitted to mails as second-class matter.

The specific rate of postage on educational publications was fixed by act of February 28, 1925 (43 Stat. 1066; U.S.C. 39; 283).

1916—Act of June 3, 1916 (39 Stat. 191) as amended June 4, 1920 (41 Stat. 776-778; U.S.C. 10; 381ff). Establishment of a Reserve Officers' Training Corps in "civil educational institutions"; conditioned on detail of Army instructors, acceptance of prescribed courses, etc. Issue of equipment authorized; and similar provision made in regard to schools not maintaining regular units of Reserve Officers' Training Corps. (See 41 Stat. 780 (§55c); U.S.C. 10; 1180, 1181).

The provisions here cited probably superseded in large part earlier acts on the same subject, viz: R. S. 1225, 31 Stat. 810 c. 607, 33 Stat. 225 c. 1403.

1917—Act of February 5, 1917 (37 Stat. 5, 6, 878; U.S.C. 8; 136). Teachers and students not subject to Asiatic exclusion provision of immigration law. Professors not subject to contract-labor provisions.

Act of February 23, 1917 (39 Stat. 936 §17; U.S.C. 20; 27). Appropriations under Vocational Education Act not to be used for support "of any religious or privately owned or conducted school or college."

*This cut was revoked by subsequent Executive Order 6586, February 6, 1934.

1919—Act of October 28, 1919 (41 Stat. 321 Title III §11; U.S.C. 27: 81). Withdrawal of alcohol from industrial alcohol plants tax-free, for use of any "scientific university or college of learning."

1920—Act of February 25, 1920 (41 Stat. 450 §35; U.S.C. 30: 191). Part (37½%) of royalties and rentals from mineral lands, under Leasing Act of 1920, to be paid to the States, for roads or "for the support of public schools or other public educational institutions as the legislature may direct."

The same disposition was made by act of June 8, 1926 (44 Stat. 710 c. 503; U.S.C. 30: 292) of receipts from mining leases of lands covered by decrees of Court of Private Land Claims.

Act of June 5, 1920 (41 Stat. 930; U.S.C. 20: 63). Transfer of instruments of "historical value" only from Coast and Geodetic Survey to educational institutions.

1924—Act of May 26, 1924 (43 Stat. 155 §4). Professors and students classed as non-quota immigrants, under certain conditions.

1926—Act of February 26, 1926 (44 Stat. 72 §303 (a) (3), 73 (b) (3)). Deduction of bequests to non-profit educational corporations, in determining net estate, under Estate Tax.

1926—Act of February 26, 1926 (44 Stat. 92 §500), amended June 6, 1932 (47 Stat. 271 §711). Exemption from admissions tax of entertainments for benefit of educational institutions; pugilistic matches or exhibitions excepted.

1929—Act of February 28, 1929 (45 Stat. 1404 c. 369; U.S.C. 49: 173 (d)). Rating of civilian flying schools by Department of Commerce, upon request of school.

1930—Act of June 17, 1930 (46 Stat. 675 §1631). Free importation of books, maps, music, etc., by any "college, academy, school or seminary of learning in the United States."

Same §1773. Free entry of statutory for use of colleges, etc.; and §1809, free entry of works of art for exhibition by institutions for the encouragement of education.

1932—Act of June 6, 1932 (47 Stat. 181 §23 (a); 220 §162). Deduction, in computing net income for tax purposes, of gifts made to educational corporations, where no part of the income inures to the benefit of any shareholder.

Same, p. 193 §103 (6). Educational corporations, as above, exempt from corporation income tax.

Same, p. 248 §505. Deduction of gifts made to educational corporations, as above, in computing gift tax.

ship for the maintenance of public schools, within such township."

The policy of setting aside land, proceeds from the sale of which should be applied to education, thus established by the Continental Congress, was carried out by the Congress of the United States following its creation by the Constitution. The authorship of this policy is generally attributed to Thomas Jefferson, who, as a member of the Committee of the Continental Congress which framed the land bill, is credited with having inserted in that bill the provision for the setting aside of designated sections of public land for public educational purposes.

The Ohio Land Grants of 1803

On March 3, 1803, the Congress of the United States passed an Act admitting Ohio to statehood, and in this Act set the first definite precedent for conditional grants as one of the stipulations for statehood, by including the provision that Section 16 of each township be granted the inhabitants of each township for public schools.

The following year Congress amended the Ohio Act by providing that the school lands be controlled by the State Legislature instead of by the inhabitants of each township, as provided in the original Act. The Ohio Act was used as a model for subsequent Acts admitting various territories to Statehood.

The Beginning of Money Grants

The policy of Congress, up to 1862, was to make grants of land for general educational purposes, but on July, 1862, the Morrill Act was approved. This Act inaugurated the policy of making Federal grants for specified types of education and also established a formula for the allotment of these grants to the States. No money appropriations were provided for in the Morrill Act, but outright grants of public lands were made, these lands to be sold and the proceeds used to "provide colleges for the benefit of agriculture and the mechanical arts."

The Act provided that the sums derived from the sale of the lands granted should be invested in "stocks of the United States, or of the States or some other safe stocks, yielding not less than five per cent per annum upon the par value of said stocks." The amount of land to be given to each state was fixed as "a quantity equal to thirty thousand acres" for each Senator and Representative in Congress allowed each state under the Census of 1860. Mineral lands were excluded from the provisions of the Act.

Types of Education Specified

Thus the Morrill Act specified the type of education to be benefited and specified how the money derived from land sales should be invested. It also specified that annual reports on the use of the funds be made to the Federal Government (See Hatch Act, below). It was under the Morrill Act that the Land Grant Colleges were established.

On August 30, 1890, Congress enacted supplementary legislation for Land Grant colleges, known as the Second Morrill Act, which provided that if proceeds of the sale of public lands in a state were not sufficient to maintain the college, such deficiency should be paid by Congress.

Tracing the Policy of Congress Toward Grants for Special Types of Education

ON May 7, 1784, a Committee of the Continental Congress, of which Thomas Jefferson was a member, reported a bill "for ascertaining the mode of locating and disposing of lands in the western territory. A year later, on May 20, 1785, the Continental Congress passed this bill, one of its provisions being that:

"There shall be reserved the lot No. 16 of every town-

The Land Grant Colleges

by Walter J. Greenleaf

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The original Act was further supplemented on March 4, 1907, by the passage of the Nelson Amendment.

On March 2, 1887, Congress passed the Hatch Act creating the Agricultural Experiment Stations as an aid to agricultural education.

Annual Appropriations Inaugurated

Prior to the passage of the Hatch Act, Federal grants to states in aid of education had been mostly in the form of lands or lump sums of money. The Hatch Act provided for annual appropriations of \$15,000 a year for each state to defray the costs of the experiment stations. The Act also placed restrictions on the use of the appropriations by setting forth in the Act the character of researches to be made, and prescribing that not more than 5 per cent of the first year's appropriation should be used for the purchase or erection of buildings.

The Hatch Act was supplemented on March 16, 1906, by the passage of the Adams Act and again on February 24, 1925, by the passage of the Purnell Act. Both these Acts extended the aid provided by the Purnell Act until now, instead of \$15,000 a year each state receives \$90,000 a year.

The Matching of Educational Funds

On March 4, 1911, the State Marine School Act was passed, providing Federal aid in the shape of direct money appropriations and vessels and equipment for nautical schools. This legislation was not only in aid of a special class, but is particularly significant because it initiated the requirement of "matching" Federal funds by state or local funds.

On May 8, 1914, the Smith-Lever Act providing for cooperative agricultural extension work was passed, and contained a provision that Federal funds for this purpose should be "matched" by state funds. The Capper-Ketchum Act of May 22, 1928, supplemented the Smith-Lever Act and brought the total annual appropriations up to \$980,000 for each state and an additional \$500,000 a year for apportionment.

Aid for Vocational Education

The Smith-Hughes Act, approved February 23, 1917, inaugurated the policy of appropriating Federal funds for vocational education. This bill was designed to aid students in three classes—agriculture, trade or industry, and home economics, and to train teachers in these three classes. The Act specifically provides that for every dollar of Federal funds spent in a State under the terms of the Act, the State or Community shall spend an equal amount.

Beginning with the first Morrill Act of 1862 and continuing down through the Smith-Hughes Act one finds the principle Acts of Congress fixing the present Government policy of Federal Aid for special types of education. There are other Acts which provide for indirect aids, but for purposes of comparison with the suggestion of Federal aid for elementary and secondary education, the Acts cited above are the really important ones.

Most of these Acts have been supplemented or expanded by amendment in recent years, but these amendments have not altered the principles laid down in the Acts themselves.

THE Office of Education is responsible for obtaining reports annually from the treasurers of the several land-grant institutions of the disbursements of the annual income received by them under the land-grant act of 1862 and supplementary acts, and annual reports from the presidents regarding the general operations of the institutions.

Land-grant colleges and universities, generally known as agricultural and mechanical colleges, were established following the passage of the first Morrill Act of 1862. By the terms of this act, each State was entitled to receive an amount of public land (or land scrip) equal to 30,000 acres for each Senator and Representative in Congress to which such State was then entitled for the "endowment, support, and maintenance of at least one college where the leading object shall be to teach such branches of learning as are related to agriculture and the mechanic arts in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life." This land is being gradually sold to create an endowment fund which in 1932-33 totaled \$22,781,465. In addition there remained more than \$6,000,000 worth of unsold land. The income from such fund and lands amounted to \$971,254 for that year.

By the second Morrill Act of 1890 and the Nelson amendment of 1907, the Federal Government aids these institutions further; since 1911 each State has received from the United States Treasury in accordance with the Morrill-Nelson Acts \$50,000 annually to be applied to salaries and facilities for instruction in specified subjects. Of the total appropriations in 1932-33 (\$2,550,000) spent for instruction, \$2,541,128 went for salaries, and \$18,537 for facilities for instruction. These figures include \$7,592 balance from the previous year and \$8,038 interest on deposits. The balance remaining was \$5,962.78.

Thirty States and three Territories—Alaska, Hawaii, and Puerto Rico—maintain 1 land-grant institution each; Massachusetts maintains 2; and each of the 17 Southern States maintains 2, 1 for whites, and 1 for negroes. About 175,000 regular students of college grade enroll annually during the academic year in the land-grant colleges, about one out of every six college students in the United States. The inventory of the land-grant institutions (1933) revealed that \$550,305,675 was invested in the 52 institutions for white students, of which half was in buildings. In 1932-33 the total receipts of the 69 institutions amounted to nearly 140 million dollars, of which there was derived from Federal funds a total of \$20,626,900.

The Agricultural Experiment Stations

by James T. Jardine

Chief Office of Experiment Stations,
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THAT part of the agricultural appropriation acts authorizing payment of the Hatch, Adams, and Purnell funds to the experiment stations has carried from year to year, for many years, a provision that the Secretary of Agriculture shall "coordinate the work of the Department with that of the State agricultural colleges and experiment stations." Machinery has been set up which is operating effectively to encourage and promote coordination and cooperation between the Department and the stations. Through the Office of Experiment Stations, representing the Secretary in the administration of the Federal funds for the experiment stations, in association with the Director of Scientific Work of the Department and a standing joint committee of the Department and the Association of Land-Grant Colleges and Universities on projects and correlation of research, definite and formal provision is made for developing coordination and cooperation and the principles which should control in the cooperative relations between the Department and the stations. A special committee of State experiment station directors has been making a study of State and Federal relationships in research and reporting with recommendations to the directors at their annual sessions during the past two years. The almost constant contacts maintained by the Office of Experiment Stations with Department and station administrative officers and specialists through examination of research projects and programs, conferences, and correspondence is doing much to develop details of effective coordination and cooperation.

Out of the broad program of national endeavor to restore rural prosperity is arising the most urgent demand for modern scientific research ever made upon agricultural institutions. The Nation is coming to realize more clearly than ever before that in each stage of advancement, efforts to improve agriculture and rural life must be guided by a higher order of rural intelligence than prevailed in the stage preceding. Developing the factual basis for this improvement in thought as a guide to rural achievement is primarily a task of the agencies of agricultural research.

For the year ended June 30, 1933, the experiment stations reported a total financial support of \$15,576,632.98, which, compared with \$17,245,163.83 received the preceding year, represented a reduction of \$1,668,530.85, or 9.6 per cent. Of the total support, \$4,359,000 was derived from appropriations under the Hatch, Adams, and Purnell Acts and \$103,560 from appropriations to the Department of Agriculture for the maintenance of the experiment stations in Hawaii and Puerto Rico.

The income of the experiment stations from other than Federal sources, \$11,114,072.98, was 71.4 per cent of the total. It was \$1,544,060.85, or 12.2 per cent less than for the preceding year, due mainly to a decrease in State appropriations and allotments from \$9,501,097.10, or 18.5 per cent. The income from fees was 4.6 per cent, from sales 12.2 per cent, and from miscellaneous sources 13.6 per cent less than the previous year. This was offset to some extent by an increase of over 50 per cent in balances carried over from the preceding year.

The decline in State support from the all-time high of 1931, which began in 1932, was still further accentuated in 1933. Only eight stations, namely, Alabama, Connecticut (State), Georgia, Maine, Maryland, Mississippi, New York (Cornell), and Rhode Island, reported increases from State sources during the year. The other stations experienced reductions in income of from 1.5 to 43.9 per cent. In the aggregate the Federal Government contributed about \$1 to every \$2.50 from other sources for the support of the stations during the year.—*Extracts, see 10, p. 224.*

Vocational Education

by C. M. Arthur

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THE Smith-Hughes Act provides for the cooperation of the Federal Government with the States in the promotion of vocational education. It appropriates funds (1) for research and service to aid the States in organizing vocational classes, and (2) for reimbursement in part, out of Federal funds, of expenditure made by States and local communities for salaries of vocational teachers and for vocational teacher training.

In general the act provides for vocational education of less than college grade for persons of 14 years and over, under public supervision and control and with public funds, in agricultural, trade and industrial, and home-making pursuits.

As a direct result of the participation of the Federal Government in the program of vocational education, three types of vocational schools have been established as in-

tegral parts of our public school system: (1) The vocational day school, for boys and girls who have chosen an occupation and desire training for it; (2) the part-time school, for persons who are employed but who can devote part of the day to receiving systematic instruction and training in the line of their employment; (3) the evening school, for workers who desire to devote some time outside their regular employment hours to improving their efficiency in the occupations in which they are engaged. Instruction in these schools reaches out into those employments which require such technical or mechanical skill as may be taught advantageously in the public school or under its supervision.

The program was not imposed upon the States. It was proposed for voluntary acceptance by the States through legislative action. Within a few months after its enactment every one of the 48 States had accepted the act. Acceptance by a State involved assumption of administrative and financial obligations on the part of the State. The whole program of vocational education has continued throughout the period since 1917 on a purely voluntary basis and no State has withdrawn from its voluntary cooperation, either in whole or, as it is permitted under the act to do, with reference to any single feature of the program.

The act provides that all expenditures of Federal money for vocational education must be under public supervision and control. This requirement safeguards such expenditures in the public interests. It was recognized that vocational education was an economic as well as educational enterprise—that the program involved the economic interests of labor, of employers, and of the public, that these interests might be found to be in some measure conflicting; and that no one of these interests should be permitted to exploit the program for its own benefit. Labor particularly insisted that the program be adequately safeguarded under public supervision and control.

The act of 1917 provided continuing permanent appropriations in designated amounts to be made available for allotment to the States, increasing in amount from year to year from \$1,500,000 in the year ended June 30, 1918, to \$7,000,000 in 1926, and annually thereafter, to be allotted on the basis of population, with additional amounts appropriated to guarantee designated minimum allotments to each State. The act set up three funds for allotment to the States: (1) An appropriation in the maximum amount of \$3,000,000, to be allotted on the basis of the rural population (plus the amount required to guarantee to each State a minimum allotment of \$10,000,) for reimbursement of expenditures on account of salaries of teachers, supervisors, and directors of vocational agriculture; (2) an appropriation in the same amount, to be allotted on the basis of the urban population for reimbursement on account of salaries of vocational teachers of trade, industrial and home economics subjects; and (3) an appropriation in the maximum amount of \$1,000,000 to be allotted on the basis of the total population (plus amounts required to guarantee the minimum of \$10,000 to each State) for maintenance of vocational teacher training.

In addition the act provided a continuing appropriation of \$200,000 to the Federal office for administrative purposes, and for the conduct of research and service to aid the States in developing their programs.

What the Federal Government Is Now Spending for Education

I Regular Annual Appropriations

II Emergency Allotments

by Timon Covert

Specialist in School Finance, U. S. Office of Education

It is probable that every department of the National government aids education either directly or indirectly in some way.

To estimate the amount of funds from the National Treasury that go to educational activities, however, cannot be done so easily. Certain appropriations are authorized by Congress for specific educational work, while others are for services which, while essentially educational, are not parts of any regular school programs. Moreover, the Federal government carries on many educational activities within various departments and bureaus, the expense of which cannot easily be segregated as such. For example, certain work of the Children's Bureau and services performed by army officers and by experts in the Department of Agriculture, the Bureau of Standards, and the National Academy of Sciences, are educational. It is not possible, therefore, to make a complete statement of the Federal government's educational activities or concerning the expenditures for them.

Consequently this article is limited to a summarization of Federal funds allotted to the States and Territories, or to be used within them, for rather definite educational purposes.

I Regular Annual Appropriations

Federal funds for education for 1933-34, fiscal year ended June 30, 1934, may be classified under two headings: First, we may list the ordinary appropriations, such as the continuing authorization for funds for Land Grant Colleges, and those authorized for the year only, as that for the Office of Education. Second, we may list the funds which were allotted to educational purposes during the year as a part of the Federal Emergency program. Accordingly, data are listed in two tabulations.

I. Federal funds authorized as usual for educational purposes, 1933-34.

| | |
|--|-------------------------|
| 1. Land Grant Colleges (total) | \$8,205,822 |
| (a) For instruction in agriculture, mechanic arts, etc. | \$2,550,000 |
| (b) For agricultural extension service ¹ | 5,655,822 |
| 2. Office of Education (total) | 310,500 |
| (a) Salaries and general expenses | 270,500 |
| (b) Printing | 40,000 |
| 3. Vocational Education (total) | 7,458,000 ² |
| (a) For training of teachers | 910,000 |
| (b) For agricultural education | 3,157,500 |
| (c) For trade and industrial education ³ | 2,510,000 |
| (d) For home economics education | 637,500 |
| (e) For administration, research, and service by the Federal Office | 243,000 ⁴ |
| 4. Vocational Rehabilitation | 969,000 ⁵ |
| 5. Bureau of Indian Affairs (total) | 9,386,230 ⁶ |
| (a) For support and education of Indian pupils at 26 non-reservation schools | 3,755,000 |
| (b) For subsistence of pupils retained in government boarding schools during summer | 90,000 |
| (c) For the support of Indian schools not otherwise provided for, including pupil transportation, tuition to public schools, and expense of pupils placed with families for educational purposes ... | 4,941,230 |
| (d) For education of natives in Alaska | 600,000 ⁷ |
| 6. Federal oil and mineral royalties | 1,250,000 ⁸ |
| 7. National forests funds | 940,000 ⁹ |
| 8. Public land sale grants | 8,000 ¹⁰ |
| 9. Howard University (For colored) | 1,092,500 ¹¹ |
| 10. Columbia Institution for the Deaf (Dist. of Columbia) | 122,200 |
| 11. For necessary school buildings and facilities on the Boulder Canyon Federal reservation | 18,000 |
| 12. Public Schools of the District of Columbia | 4,469,891 ¹² |
| Total | \$39,230,143 |

The list above is more or less arbitrary. Such activities of the Federal government as those rendered by the Naval Academy at Annapolis, by the Military Academy at West Point, by the Smithsonian Institution of the District of Columbia, and many other agencies are omitted from the tabulation. Four States receive aid regularly from the National government for their marine schools. Perhaps the appropriations for these Federal institutions and the grants made for the State marine schools should be included. Certainly much of the work performed by them is educational. But we have already pointed out the impossibility of making a complete statement. At any rate the reader should realize that an important part of the Federal government's work in education is indirect and is continued year after year.

Funds authorized for appropriation or allotment by Congress do not equal necessarily actual allotments. In fact the appropriations here shown were automatically reduced in most instances for the year under consideration by terms of the economy program. Salaries of government employes in the several agencies named were reduced 15 per cent from July 1 through January, and 10 per cent from February 1 to June 30, 1934. We find the grants authorized for educational purposes for the fiscal year 1934 exceeded \$29,000,000. (The amounts under 3 and 4 in the tabulation indicate actual allotments to States.) This amount indicates roughly the size of the annual grants by the National government for education. It is interesting to note, incidentally, here that most States enjoy a considerable yearly income for education from permanent school funds derived from National land and money grants. For example, the Land Grant Colleges of the several States receive at least a million dollars and the public schools (those below college grade) benefit to the extent of more than \$25,000,000 a year from this source.

II Emergency Allotments

The school year 1933-34 is unique in the annals of public educational finance; for large sums of money from

¹Includes administration, research, and service by the U. S. Department of Agriculture in connection with the grant.

²Actual allotment which is less than authorized due to the economy program.

³Not more than 20 per cent of this appropriation may be expended for home economics education.

⁴The Independent Offices Appropriation Act, 1934, authorized \$969,000 for vocational rehabilitation and provided that the minimum allotment to any State for the fiscal year should be \$8,840.

⁵Does not include personal services and expenses of the National office in the District of Columbia, except those for the section dealing with education of Natives in Alaska.

⁶Estimate. Thirty-seven and one-half per cent of receipts from bonuses, royalties, and rentals received by the Federal government is paid to the State within whose boundaries the leased lands or deposits are located. Grants are for roads or schools.

⁷Estimate. Twenty-five per cent of National forests receipts, chiefly from timber and grazing rights is paid to the States for public roads and schools of the counties in which the forests are situated.

⁸Estimate. Five per cent of the receipts from the sale of public lands within the States is paid to the State for public schools or roads.

⁹A considerable part of this apportionment was for building purposes.

¹⁰Approximately 20 per cent of this sum is provided from the National Treasury.

the National treasury were allotted to individual school districts throughout the country.

Early in the summer of 1933 it became evident that school funds in a number of States would be far from adequate for even the barest needs of the 1933-34 terms. Reports to the United States Office of Education from State Departments of Education, data assembled by such organizations as the National Education Association, and appeals from a number of National conferences of friends of education for financial assistance all served to convince the Administrator of the Federal Emergency Relief Administration that unemployed teachers should receive government aid. Accordingly Mr. Hopkins in August authorized the use of funds to pay teachers and other qualified persons on relief to teach in rural schools which would otherwise be closed and to teach classes of persons unable to read and write.

The authorization of the use of F. E. R. A. funds was extended in September to include general adult education, vocational education, and rehabilitation. Their use was further extended in October to include emergency nursery schools. In December \$2,000,000 a month was set aside for the emergency educational program to engage 40,000 unemployed teachers. The first authorization of funds was for the purpose of keeping schools open in places of less than 2,500 population; in February the Administrator authorized their use in places up to 5,000 population and for secondary as well as for elementary teachers.

Another agency of the Recovery Program, the Federal Emergency Administration of Public Works, as early as June, 1933 made funds available for public school buildings and for State university and college buildings. Allotments of funds were as follows: Outright grants equal to 30 per cent of the cost of labor and materials on approved projects were made; if the applicant desired and could meet the legal requirements, a loan for the remaining 70 per cent of the cost secured by bonds of the borrowing corporation at 4 per cent interest, could be secured; if not, the applicant could supply the remaining amount from other sources.

A third agency, the Civil Works Administration, authorized in November the use of funds for school building, repair, improvement, and extensions. In February, projects were created under the C. W. A. to aid 80,000 needy college and university students who desired to earn at least part of their expenses while in school. The work of this agency was brought to a close on March 31 and unfinished undertakings were assumed by the F. E. R. A.

In December the Educational Program for the Civil Conservation Corps was inaugurated. This program was placed under the direction of the U. S. Commissioner of Education. A director, assistants to the director, and instructors working in cooperation with the U. S. Army placed educational opportunities before thousands of interested members of these camps.

Funds allotted to educational purposes by the four emergency agencies as described above played an important role in sustaining education during the last school year. This is evident when we examine the amounts allotted. These are given in the following table.

II Amount of Federal Emergency funds allotted to Educational purposes, 1933-34.

| | |
|---|-------------------------|
| 1. Federal Emergency Administration of Public Works | \$74,000,000* |
| 2. Federal Emergency Relief Administration ^a | 24,415,613 ^a |
| (a) Nursery schools | \$973,740 |
| (b) Rural schools | 16,924,000 |
| (c) College student aid | 5,000,000 |
| (d) Adult vocational training | 1,359,578 |
| (e) Adult vocational rehabilitation | 283,690 |
| (f) Adult illiteracy | 902,125 |
| (g) General adult education . | 3,972,480 |
| 3. Civil Works Administration ^b | 60,000,000 ^b |
| 4. Civilian Conservation Corps, Educational Program | 817,169 ^c |
| | \$159,232,782 |

In closing, we may say that the schools will benefit during the school year 1934-35 about as usual from the funds described in the first part of this article. Concerning Emergency funds, little in the way of definite information can be given at this time.

The Administrator of the F. E. R. A. has indicated that a larger number of college students will benefit this year than did last. Public Works grants and loans for school buildings are available under conditions similar to those of last year. The Educational Program of the C. C. C. continues to function and no doubt will be carried on even more effectively than last year. Educational activities in the Tennessee Valley Authority, expenditures for which are not available at present, will expand with the development of the project.

An additional potential source of assistance to education was authorized by Congress in the act relating to loans for industrial and other purposes. This Act authorizes the Reconstruction Finance Corporation to make loans not to exceed \$75,000,000 prior to January 31, 1935, to public school authorities on adequate security for the purpose of payment of teachers' salaries due prior to June 1, 1934.

As this article is being written the Reconstruction Finance Corporation is making arrangements to lend to the School Board of Chicago \$22,300,000 for the payment of back salaries to Chicago public school teachers, the loan to be based on collateral put up by the Chicago School Board.

Assistance, somewhat similar, is authorized in a provision of the Appropriation Act for the Bureau of Indian Affairs for the present fiscal year; this authorizes the use of \$12,000 for loans to Indian youths to be repaid within 8 years to enable them to take courses in institutions of higher learning.—*Extracts, see 1, p. 224.*

^aEstimate.

^bThe F. E. R. A. and C. W. A. funds for education overlap somewhat owing to the fact that C. W. A. projects were discontinued on March 31 and were taken over by the F. E. R. A.

^cClosest estimate.

^dTotal obligations including supplies, equipment, and headquarters office expense from January 1 to June 30, 1934.

An Analysis of the Sources of Federal Tax Revenues

by Dr. J. Harold Goldthorpe

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WITH the imminence* of federal aid to the schools in some form, it is pertinent to examine two rather common beliefs concerning the sources of federal tax revenues. One of these is that federal revenue is paid by the residents of the states and hence is in effect a tax upon the people of a particular state, and the other belief—related to the first—is the prevalent notion that the population of certain states, particularly New York, contributes to the federal treasury an undue proportion of the federal tax revenue. It is the purpose of this article to present certain facts concerning the sources of federal tax revenues and to consider other aspects which bear upon these two beliefs.

Prior to the Revenue Act of 1932 federal tax revenues were derived from four major sources—the corporation income tax, the personal income tax, customs duties, and the tobacco taxes. The proceeds from these four taxes accounted for 95 per cent of the Federal Government's tax income in the fiscal year ending June, 1930, which was the "peak" year of the yield of these taxes. For the fiscal year 1933 the revenue yield of these four sources shrunk to two-fifths of that for the year 1930; the yield from the income taxes being less than one-third of the revenue for the earlier year. For the latter year (1933) the revenue from these four sources constituted 75 per cent of the total taxes collected. It is of interest to note that the tax source which showed the least shrinkage was the revenue from the tobacco taxes. To compensate for the loss in income from these sources the Revenue Act of 1932 provided for a series of manufacturers' excise taxes on a variety of commodities ranging from a tax of 2 cents per 1,000 matches to a tax of 1 cent per gallon of gasoline. For the fiscal year 1933 the yield from these 32 manufacturers' excise taxes was approximately 244 million dollars, of which amount the gasoline tax contributed 125 million dollars.

In the last analysis the individual citizen pays the federal taxes. He pays it directly upon his own personal income; he pays it indirectly as a purchaser of goods on which import duties are levied, as a consumer of tobacco products, as the consumer of commodities on which excise taxes are levied, and as the stockholder of a corporation which has a taxable net income. The Federal Government collects its tax revenues through two agencies, the bureau of customs and the bureau of internal revenue. Each of these bureaus maintains offices in various cities and receives payments from individuals and corporations for certain areas. From the reports of these districts the Treasury Department publishes annually a report showing

by states and sources the collections of all federal tax revenues. As a result of this practice the various states appear to be credited with these payments. Unfortunately this procedure has given rise to the belief that the federal revenue reported for each state is a contribution toward the support of the activities of the Federal Government and is paid by the inhabitants of that state.

While federal taxes are frequently paid at source in order to simplify administration and to reduce collection costs, they are borne ultimately by the citizens and consumers of goods out of whose income the taxes are paid. For example, while the customs duties upon an imported commodity are paid at the port of entry in the first instance by the importer, this duty is added to the price and is finally paid by the purchaser. Thus, when a New York City importer buys a Paris gown for \$60 and pays a customs duty of 50 per cent, the cost on which he bases his profit and price is then \$90. On this transaction New York State is credited with the customs duty, but if the gown is purchased in Denver, the tax is paid, in reality, by a Colorado resident. Because of the concentration of the foreign-trade activity, the New York City customs district was credited with over 50 per cent of the total amount of \$250,501,722 derived from customs receipts in 1933.

Personal income taxes paid by individuals with taxable incomes are paid at the office of the Collector of Internal Revenue nearest the place of residence or business. On the other hand, a corporation pays its net income tax in the state where its main office is located, which is frequently, though not necessarily, the state under whose laws the corporation received its charter. By way of illustration, the General Motors Corporation, which secured its charter under the laws of Delaware, maintains general offices in Detroit, New York City, and Wilmington, yet pays its income tax in Michigan. For the year 1931 its income tax of approximately 14 million dollars was credited to the State of Michigan, although the tax was actually the contribution of its 313,117 stockholders residing throughout the country. Similarly, the Union Pacific Railroad with a charter from the State of Utah, conducting its business in eleven western states and without a mile of track east of the Mississippi River, paid its 1930 corporation income tax of three and a half million dollars through its New York office. In this manner New York State is credited with the tax though it is derived from operations halfway across the continent.

Because the corporation net income tax has, since 1925, been the largest single source of tax revenue and because of certain aspects regarding its incidence, it is well to give it further consideration. In general, economists have pointed out that this tax is shifted only in unusual circumstances and that it is actually borne by the corporation's stockholders rather than by the consumers. Accordingly, its burden is distributed throughout the population in proportion to the stockholders' equities in the net income of those corporations with taxable incomes.

A compilation published in the *New York Times* of March 4, 1934, based on the holdings of 205 large corporations, showed an increase of 54 per cent in the number of stockholders between 1929 and 1933.

* For emergency aids granted since this article was written see article on page 200.

The fourth important source of federal revenue is the group of tobacco taxes. From the standpoint of yield the cigarette taxes are the most important of the twelve different taxes on tobacco and tobacco manufactures: in the year 1933 they accounted for over four-fifths of the revenue from the tobacco group. On most of the well-known brands the tax is approximately 6 cents for a package of twenty cigarettes, only slightly less than one-half of the customary retail price.

Because the major part of the manufacture of tobacco products is carried on in Kentucky, North Carolina, and Virginia, these three states are credited with 84 per cent of the total amount of \$402,739,059 collected from the tobacco taxes. Moreover, in this same year, these three states contributed 23 per cent of the total amount of federal internal revenue, of which proportion the tobacco taxes constituted over 90 per cent. When the federal tax receipts credited to North Carolina and Virginia are considered, the misleading impression of these figures is apparent. Thus, in 1933, North Carolina with 2.6 per cent of the nation's population and 1.5 per cent of its wealth is credited with 11.9 per cent of the total federal tax revenues. Similarly, Virginia contributed 5.9 per cent of the federal revenues, although it has only 2.0 per cent of the total population and but 1.6 per cent of the national wealth. Actually, while these revenues are collected at source and are credited to the states wherein the factories are located, the tax burden is borne by the users of tobacco products throughout the entire country.

From the consideration of the general problem of the incidence of the federal tax burden it will be well to turn to the problem of a specific state. Reference has already been made to the undue share of federal tax revenue credited to the states of Kentucky, North Carolina, and Virginia, due to the collection of tobacco taxes. When the situation of New York State is examined it is even more startling. With 10.2 per cent of the nation's population and 11.7 per cent of the total national wealth in 1930, the Empire State is credited in the fiscal year of 1933 with 27.4 per cent of the total federal tax revenues. This fact, no doubt, accounts for the frequent statement that New York pays over 25 per cent of the federal tax burden.

Upon further analysis it is discovered that of the total amount of \$513,499,430 credited to New York in 1933, over one-fourth, \$137,152,757 represented the receipts from customs duties. As previously pointed out, only a moderate portion of this amount actually constitutes the true tax burden on the residents of New York. Similarly, while New York is credited in the federal reports with approximately one-third of the total revenue from the corporation income tax in the year 1933, which amount is about another fourth of the state's reported contribution, this burden is actually carried by the owners of these corporations. It is unnecessary to suggest that the ownership of these large corporate units is not restricted to New York residents.

Based upon the Treasury's *Statistics of Income for 1931*, the latest report available, it was found that, of the total of 516,404 corporations which filed tax returns, 110,851, or over one-fifth of the total number, filed their returns and paid their taxes in New York State. Of the number filing returns in the state, over a third (39,271) showed a taxable net income, amounting in all to approximately a billion and a quarter dollars; these corporations paid taxes of \$135,401,630. This sum was contributed out

of the profits which otherwise would have been distributed to millions of stockholders residing in all the states of the Union.

Some of these corporations have no property in New York and many have properties in several states and conduct their operations in many states and have stockholders in all states.

These few instances suggest the extent to which the profits of large corporations are derived from the different states, while their management and financing are centralized in New York, and their net income is taxed in and credited to New York. In reality, these profits are received from operations in many states and constitute a share of the earnings from these corporations, whose owners are distributed throughout the nation. The foregoing criticism of accreting the revenue collections in a given state as the measure of that state's contribution to the federal treasury is supported by the following statement of the Treasury Department in its *Statistics of Income for 1931*:

The data, although tabulated by returns filed in each state, do not represent what may be called the geographic distribution of income, there being no way of ascertaining from the income tax returns the amount of income originating in the respective states or the amount of tax paid on that basis, as income reported by an individual or corporation in one state may have been derived from sources in other states.

Obviously, a plan of accounting for federal tax revenues which credits one state with the payments partially borne by the inhabitants of other states must result in under-crediting these states. A few instances will serve to illustrate this point. Iowa, a state of great agricultural wealth, is credited with but .3 of 1 per cent of the federal tax receipts, though it has 3.3 per cent of the nation's wealth and 2 per cent of its population. Ohio is a state of rich and diversified resources, containing 5.9 per cent of the total wealth and 5.4 of the total population, yet it is credited with but 3.8 per cent of the federal taxes. Similarly, Washington has 1.6 per cent of the total wealth and 1.3 per cent of the population within its borders; yet it is credited with only .4 of 1 per cent of the federal tax receipts. If these states produced tobacco or if their cities contained the main offices of large corporations they would be listed with larger federal tax payments.

From the brief analysis of the sources of the Federal Government's tax revenues and the consideration of the incidence of the various federal taxes, it seems reasonable to conclude that the residents of all states pay the federal tax revenues directly or indirectly, and that much of the revenue paid indirectly is collected in and credited to states outside the residence of those who carry the immediate burden. Under modern conditions of economic integration which have increased greatly the interdependence of various sections and have permitted urban areas to derive a considerable part of their wealth and consumer's goods from other areas, it is short-sighted if not fallacious to attach much significance to the federal tax collections credited to specific states. If adjustments of the federal taxes credited to the various states could be made to take care of the indirect revenue payments made by the residents of other states, it is entirely likely that the residents of each state would be found to contribute toward the activities of the Federal Government in the ratios of their respective populations and wealth.—*Extracts, see 12, p. 224.*

Action by New Deal Congress on Federal Grants for Education

BUT two important pieces of legislation affecting education were passed during the second session of the Seventy-third Congress. They were H. R. 7059, introduced by Representative Russell Ellzey, Miss., D., to continue for three years annual appropriations of \$3,000,000 for vocational education, which were due to lapse on June 30, 1934, and an amendment to S. 2125, introduced by Senator Carter Glass, Va., D., to continue the Reconstruction Finance Corporation, which authorized the R. F. C. to lend up to \$75,000,000 to school authorities on good security for the payment of teachers' salaries. It was under this provision that the R. F. C., in August, lent \$23,000,000 to the Chicago School Board.

So far as legislation for permanent Federal Aid to the States for education is concerned, no legislation whatever was considered, nor was any recommended by the Roosevelt Administration.

The nearest approach to a declaration of policy on permanent aid by the Administration was contained in a radio address by President Roosevelt to the Third Annual Women's Conference on Current Problems, October 13, 1933, in which the President said:

"It is true, unfortunately, that the economic depression has left its serious mark not only on the science and practice of education but also on the very lives of many hundreds of thousands of children who are destined to become our future citizens.

"Every one of us has sought to reduce the cost of government. Every one of us believes that the cost of government, especially of local government, can be reduced still further by good business methods and the elimination of the wrong kind of politics.

"Nevertheless, with good business management and the doing away with extravagance and frills and the unnecessary elements of our educational practices, we must at the same time have the definite objective in every State and in every school district of restoring the useful functions of education at least to their predepression level.

"We have today, for example, a large surplus of so-called qualified teachers—men and women who even if we had full prosperity would and probably should be unable to find work in the field of education. Even today we are turning out too many new teachers each year. That is just as much an economic waste as building steel rail plants far beyond the capacity of railroads to use steel rails. It goes without saying that we should have enough teachers and not a large excess supply. It goes also without saying that the quality of our teaching in almost every State of which I have knowledge can be definitely and distinctly raised. The main point is that we need to make infinitely better the average education which the average child now receives, and that, through

this education, we will instill into the coming generation a realization of the part that the coming generation must play in working out what you have called 'this crisis in history.' This crisis can be met, but not in a day or a year, and education is a vital factor in the meeting of it."

Efforts to obtain emergency appropriations for education were concentrated in the campaign of the National Committee for Federal Aid in Education, on which were represented 31 educational and other national organizations. This campaign culminated in hearings before the House Committee on Education from February 26 to March 1. James H. Richmond, State Superintendent of Education in Kentucky, Chairman of the Committee, and some 20 other witnesses appeared before the House Committee and asked for a Federal appropriation of \$100,000,000 to be used (in addition to funds already allotted by the Federal Emergency Relief Administration) to keep schools open. On May 10 the Committee reported H. R. 9544, a Committee bill, appropriating \$75,000,000 for 1934-35. This bill went on the House Calendar but was not considered by the House. The report of the Committee, approving emergency aid but definitely opposing permanent aid, will be found on page 207.

In various New Deal legislation the Seventy-third Congress placed billions of dollars in the hands of the President to be spent through various recovery and relief agencies without further consultation with Congress. What the Administration is doing to meet the emergency in the schools through its various relief agencies is set forth in the article by Timon Covert, beginning on page 200.

An estimate of the amount of emergency Federal aid needed by the various States for 1934-35 to keep schools open for a normal term and operating in a reasonably satisfactory manner follows:

[Estimates furnished by State superintendents]

| State | Amount | State | Amount |
|---------------------|-------------|----------------------|---------------|
| Alabama | \$2,500,000 | Nevada | \$150,000 |
| Arizona | 350,000 | New Hampshire | (?) |
| Arkansas | 16,000,000 | New Jersey | (?) |
| California | 1,000,000 | New Mexico | \$3,000,000 |
| Colorado | (?) | New York | (?) |
| Connecticut | (?) | North Carolina | \$3,000,000 |
| Delaware | (?) | North Dakota | (?) |
| Florida | \$2,950,000 | Ohio | 13,000,000 |
| Georgia | 3,000,000 | Oklahoma | \$2,000,000 |
| Idaho | 750,000 | Oregon | (?) |
| Illinois | (?) | Pennsylvania | \$5,000,000 |
| Indiana | (?) | Rhode Island | (?) |
| Iowa | \$1,350,000 | South Carolina | \$490,000 |
| Kansas | (?) | South Dakota | \$1,000,000 |
| Kentucky | 2,500,000 | Tennessee | 5,000,000 |
| Louisiana | \$3,000,000 | Texas | \$2,000,000 |
| Maine | 700,000 | Utah | \$850,000 |
| Maryland | (?) | Vermont | \$400,000 |
| Massachusetts | (?) | Virginia | (?) |
| Michigan | 13,000,000 | Washington | \$10,000,000 |
| Minnesota | \$5,000,000 | West Virginia | 2,500,000 |
| Mississippi | 1,500,000 | Wisconsin | (?) |
| Missouri | 5,000,000 | Wyoming | \$1,500,000 |
| Montana | \$800,000 | | |
| Nebraska | \$2,300,000 | Total | \$103,390,000 |

*Figures taken from the messages from State superintendents, appearing hereafter.

*The State superintendent believes that emergency aid will undoubtedly be needed, but is unable to estimate the amount at this time because of unusual conditions. In many instances the amounts needed will depend on action taken by legislatures now in session.

*No reply.

Should the Federal Government States for Public Elementary

Arguments Favoring, Wholly Or In Part

by

Dr. William F. Russell
Dean, Teachers College,
Columbia University

THE public schools are dear to the hearts of the American people. We love them because they belong to us. No national government forces them upon us. No minister of education prescribes their operation. We take educational order from no higher power. The public schools are our own. We created them. We, the people, determine who shall learn, who shall teach, what shall be taught and by what methods, what the school shall be like, where it shall be located—and we reach down in our own pockets and pay the bill. American schools are folk-made, and they are folk-controlled and folk-directed as well. This system is America's pride and joy. In it we all take great delight.

When we look overseas, we find no envy for the highly centralized school system of France, where most of the funds are supplied by the nation as a whole and most of the control rests in Paris. Nor do we find much to imitate when we look upon Australia, with its huge states each in complete control of its schools. There all the money comes from the state as a whole; the locality makes no contribution. All powers reside at the capital. The parents have nothing to say.

We can go from country to country in the world today and note the way in which certain of the strongest governments are using their highly centralized school systems to entrench themselves for years to come. Citizens in disagreement are being coerced; the recalcitrant are banished; rebels are stood before firing squads. But these measures are not necessary with the citizens of tomorrow. The young are being enticed, their minds are being seduced, helpless in the powerful grasp of propaganda through nation-wide compulsory education completely under national control. The minds of the oncoming generation are being poured into a mould.

Thus the American has only to examine education in Russia, Japan or Nazi Germany to come to appreciate the precious treasure that he has in the American public schools. They are locally controlled. They are sensitive to the will of our people. By their place in our plan of government, they are at the focus of a myriad of conflicting interests. They are almost perfectly protected from nation-wide partisan or transitory desires. There is a remote chance that some Hitler in some future time might be elected to high office in the United States; but he would have a difficult time, indeed, to win control of our schools and colleges.

That is, he could not have dominated the schools in the past; but a new day is at hand. Our government is changing. The depression is modifying the balance of power between the localities, the states and the Federal Government; and there is a good possibility that measures now pending, if adopted, may alter fundamentally

the American method of school administration, and make our schools more like those in Europe or Asia that I have cited.

It is unnecessary for me to give in detail the argument which justifies federal participation in the financing of education. We know that this is no new idea.

It was advocated in the days of the Confederation. It was implied in the Ordinance of 1785. It was suggested several times in the Constitutional Convention and was in mind when the general welfare clause was drawn. It was advocated both by Alexander Hamilton and Thomas Jefferson. Constitutional amendments to provide it were recommended to Congress by Madison and Monroe. Step by step, in the distribution of the national surplus, in the first Morrill Act and in the succession of acts down to the present day, the Federal Government has played an increasing part in supporting education in the states. We also understand the gradual obsolescence of the taxing system which has tried to support education upon the proceeds of a tax upon the property of a limited taxing area. There was once a time when wealth, as measured by land and buildings, and educational burden, as measured by children in the district school, were roughly proportional from area to area and from state to state; but the growth of transportation and communication, the development of technology, the flight from country to city and the concentration of capital—all manifestations of the machine and power ages—have disturbed this balance. Financial resources and educational burdens within the borders of the states have been found to vary so widely from community to community that state equalization of financial support has been found necessary.

Following a similar line of reasoning, experts in school finance have come to believe that federal aid is necessary. From the study of the efforts made by the state to assist localities to provide minimum educational programs, they have come to learn what was hidden from the layman—that, just as a remote district in many a state is unable to support even a minimum educational offering and in consequence state aid is needed, so an entire state, like Arkansas or South Carolina or South Dakota, may be similarly disqualified from being able to support as a state the kind of educational program that the American people deem to be the minimum. Even if there had been no depression, it would have been necessary for the national government to take a share in the financial support of education in order to maintain a minimum standard throughout the United States. 1929 was a boom year in the stock market. 1929 was the culmination of an era of great prosperity; 1929 marked a high point in the general use of automobiles and radios; but, even in that

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Annually Grant Monies to the and Secondary Education?

CON

Arguments Opposing,
Wholly Or In Part

THIS committee is unalterably opposed to any policy of Federal control of education, believing that education is essentially a State and local matter. Thus in carrying out the provisions of this act the committee insists that no Federal officer shall control the instruction or administration in education in any State.

This committee is also opposed to any permanent policy of the Federal Government to assist the States in education but is in favor of this act as an emergency measure only and for 1 year, namely, the fiscal year ending June 30, 1935.

There is no doubt that there is an emergency in education today, brought on in part by the economic depression but also caused in no small measure through the fault of many of the States themselves; by their management without foresight; by the unwise use of the taxing power; by failure to reorganize antiquated taxing systems and to make proper allocations for education; and by the great failure to consolidate rural schools wherever possible, which failure is causing many States to make large unnecessary expenditures of money each year. The committee believes in granting this aid for next year because the States cannot entirely correct these evils before the year 1934-35, but they can and should make a start in order to eliminate the necessity of coming back to Congress for relief after 1934-35.

The United States Commissioner of Education sometime ago called together representatives of 32 national organizations and formed a committee called the "Federal Advisory Committee on Emergency Aid in Education" to consider the problems of education from an emergency-need standpoint. On January 6, 1934, this committee reported to the Commissioner its recommendations; and out of this committee there was formed the National Committee for Federal Emergency Aid for Education, under the chairmanship of James H. Richmond, superintendent of public instruction for the State of Kentucky. This committee contacted the heads of education in the various States relative to educational needs for 1934-35 and set forth estimates of the amount of Federal emergency aid needed in the various States to keep schools open for a normal term and operating on a reasonably satisfactory basis during the school year 1934-35.

These figures were gathered in order to give the committee some idea as to the amount of money involved, but it by no means follows that these States will receive what they have requested. What the several States, Territories, and the District of Columbia will receive will be determined on the basis of need entirely. The need will be determined by the Federal Emergency Relief Administration acting with Commissioner of Education Zook.

by
Committee on Education
U. S. House of Representatives

Experts with educational and financial experience and training will determine said need, if any, after a thorough study of conditions in education and finances of the various States, Territories, and the District of Columbia.

Commissioner Zook estimates on the basis of present rates of compensation and normal school terms that \$75,000,000 will take care of the school needs for 1934-35 and the committee is in agreement with his estimate.

The committee believes that the conditions in many States can be alleviated by loans where there is adequate security available and that large sums of money in the form of gifts should not be awarded in these cases. This committee, however, has no jurisdiction over the matter of loans, but it is merely suggesting as an aid to the entire problem that many of the wealthy States which are in need of large sums of money should properly be cared for by loans.

This committee believes that privately supported, free-tuition schools in need should be eligible for aid upon application. These schools are doing a splendid work and in many instances, where public schools have closed, through lack of funds, these schools have taken in pupils who would otherwise be without benefit of any education. It is not expected that many will apply for aid but it is believed that they should have the right to the assistance if desired.—*Extracts, see p. 224.*

by Hon. Wm. H. King
U. S. Senator, Utah, Democrat

WHEN a Federal bureau is created it asks for a small appropriation and gives the impression that the field which it will cover and the functions which it will perform are limited. It gives no indication of the mammoth proportions which it ultimately assumes or the struggle which it will make to increase its authority and enlarge its personnel. Under our form of government the States have control of education and the duty rests upon them of providing for the education of the children within their borders. The founders of this Republic were unwilling to commit to the Federal Government the educational interests of the people. In this Republic, if there is one field in which the States should be supreme it is the field of education. A Federal bureaucracy dealing

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golden age, American children in many states in so small numbers went to hovels for schools, remained there for short terms and were taught by the kind of ignorant teacher that starvation wages would employ. Federal aid would have had to come, depression or no depression!

But the economic conditions of the last four years have hastened a development which otherwise might have been long delayed. Decreases in incomes, shrinking property values, collapse of basic industries, the desperate state of agriculture and manufacturing, the failure of the banks—all these factors in whole or in part removed the ability to pay from a substantial part of the population. Taxes could be levied on real estate, but they could not be collected. The result is the lamentable situation of the moment. Schools are closed. Children are on the street. Teachers are paid in script or not at all. Essential services have been discontinued and institutions abandoned. This distress tugs at our heart strings. This social stupidity stirs us to action. One thing comes to mind. Let us strive to reform state laws and institute new modes of taxation; but the truth is that every time the Federal Government devises a new tax or increases an old one, it is all the more difficult for the states to correct their present systems. In fact, some tax experts are now advocating that all tax collections be made by Washington, because the Federal Government, by taxing incomes and imports and by its large sales taxes on automobiles, alcohol and tobacco, has removed from the states the only taxes which could be collected. Thus the real difficulty in the present educational situation has not been caused by the depression. It has merely intensified a difficulty that has been growing for many years. The Federal Government has absorbed the sources of revenues, and it must share these with the states and localities. Many of us, realizing this situation, have devoted our best efforts to this problem for many years.

Now the question which I would discuss is this: Shall we do America a service in bringing the Federal Government to the support of the schools? Are we in danger of destroying the American heritage? At the moment our schools are controlled by us. They are safe from the sinister influence of the small politician. Shall we sell our control of the mind of the American child?

It is said that he who pays the piper calls the tune. Like many an old adage, this is a half truth. Of course, it would have been possible for the laird of the castle to make such an arrangement with the piper. He could have said that he would make no payment unless the piper played the particular tune he desired. He could specifically have retained discretionary authority, and himself have called the tune. But there are other ways of paying pipers. The laird might find one night on his estate a band of pipers, cold, wet and starving, because they had been paid in scrip. They might even have been forced to sell or pawn their pipes. There is nothing to stop the laird from saying that all who might wish to play at his feast would be fed, clothed, sheltered and provided with new pipes. Or the laird could offer ten shillings to each piper who would play, regardless of what tune he chose. Or he could apply to the pipers' union and agree to pay the wage scale fixed by the code for 36 hours of piping a week, and then hang out a

blue eagle. Or he could offer a fixed sum to all musicians, pipers included. It is not necessary that he who pays the piper calls the tune. Whether he calls it or not depends upon the particular arrangement made between the two contracting parties.

I suppose that there are no schools in the world, even in the United States, so free from domination by central authority as the schools of England, Scotland and Wales. There the control rests in education committees, subcommittees of governmental bodies elected locally. The schools of a borough or an urban district are quite free of domination by the central authorities, and even within a particular school system the details of the curriculum, the choice of text-books, the nature of the instruction and the spirit of the school itself are often within the prerogative of the individual school, even of the individual teacher himself. Central authorities will bring influence to bear upon the local committees by hints, by the publication of comparisons and statistics, by research and by advice. One of the most important reorganizations of education in England was stimulated by a small brochure entitled "Some Suggestions for the Consideration of Teachers." In spite of this local autonomy, more than half of the bill for public education in Great Britain is paid by the central government, by Parliament in Westminster. Why is it that this system did not transfer control? Because the man who pays the piper does not choose to call the tune. Because the pipers would refuse to play if some one else called the tune. He pays half the salary of the piper; he pays half the cost of keeping the audience in health so that it can hear the tune when played. He takes a definite share in certain other expenses. Parliament does not say that it will grant the president of the Board of Education £88,000,000 to use as he sees fit. It does not appropriate the equivalent of \$427,000,000 to be used as the Board of Education, the central authority, may deem wise. The whole program is put down in black and white in detail, and administration thenceforth is automatic. This is what is meant by a government of *laws*, not a government of *men*.

This is the plan which I hope that we shall follow in the United States in the long run. But there are certain powerful influences and certain colorful personalities in education and public life in the United States today who, for reasons which to themselves are adequate, are forcing us away from the English example and pushing us toward a form of federal participation in education which is likely to weaken local control and strengthen discretionary authority at Washington. These influences and personalities fall into three groups.

There are those who have been accustomed to rescue the perishing. Most of the argument for federal aid is based upon distress, and this has its particular appeal to members of welfare organizations, clubs for social service and charity and aid societies, who, individually and corporately, know how to extend the helping hand. Definite methods have been developed by years of experience in charity organizations; and it is only natural that those who have learned how best to relieve the distressed, help the indigent, cure the sick and care for the unemployed should assume that the same methods can be applied to

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with education will set no limit to its activities, but little by little it will project itself into the States, usurp their functions, and seek to control and direct the educational work therein. Centralized governments appreciate that their authority can be increased and their jurisdiction enlarged if they can control the education of the people.

Under our form of government the National Government is given no authority to deal with this important question; but, as stated, the Federal Office of Education, having been created by Congress, seeks to enlarge its activities and to obtain constantly increasing appropriations from the Federal Treasury. Undoubtedly there are individuals in the various States who do not fully appreciate the limitations upon the Federal Government and the importance of the States maintaining unimpaired the authority and sovereign power which they possess. Unfortunately, the States are being weakened—indeed, as many believe, devitalized—they are surrendering to the General Government authority which they possess and which, if they surrender, will ultimately change, if not destroy, our form of government. With the momentum attained by the centralizing forces operating in this Republic, there is reason for grave apprehension as to the future of this Republic. Individual rights and the independence of the States will not be preserved if these powerful gravitational forces which are now drawing the States from their orbits are unchecked. There should be a renaissance of individualism and of the spirit of local self-government. We are constantly confronted with appeals from organizations within the States for the Federal Government to take over functions which belong exclusively to the States. I am not unmindful of the fact that many persons are endeavoring to set up a department of education, the result of which would be that the control of education would little by little pass from the States to a powerful Federal organization. The mania for uniformity too often permeates Government circles and influences the conduct of educated men and women. They are satisfied with nothing less than uniformity—uniformity in political thinking and in the conduct and lives of the people. What is needed now more than ever is independent thinking—courage to resist the unifying forces that seek to compress people into one common mold. Let us have more heterogeneity and less homogeneity. Progress is measured by the extent of deviation from cut and dried policies.—*Extracts, see 5, p. 224.*

by Dr. Charles R. Mann

Director Emeritus, American Council on Education

I WANT to contribute a brief statement concerning the National Advisory Committee on Education, which spent two years studying this question of Federal relations to education and issued a report on the subject.

I was chairman of that commission. The work was done by Dr. Suselow; there were 51 members of the committee representing all phases of American education.

The experience of that committee is interesting, from the fact that we spent the first year or more confusing each other by our terminology and getting nowhere with the real fundamental basis of Federal relations. It was not until we found the point of view that enabled us to get behind the real superficial principles that we began to get together. I think it would be worth while to mention the particular point which cleared up that committee's work. The principal point is that in our discussions of Federal grants and Federal control and Federal relations to education, we used a terminology with regard to the Federal Government which is not appropriate to the American citizen. We spoke to each other of the Federal Government as if it were an independent sovereignty, like the German State, and we would keep confusing ourselves by that terminology, although in our thinking, we were thinking in terms of what the Government really is, a popular sovereignty, and when we succeeded in removing that difficulty and couched our language in the terms of one sovereignty; the Federal establishment is an establishment of delegated powers and the State establishment is another establishment set up by the people to work together for the general interest of the people, that we began to get some clarity in our discussions, which resulted in a high degree of agreement amongst the committee as to principles that might be followed in regard to Federal aid to education and Federal relations to education.

The first of those principles is that there is a national responsibility for education which can only be met by the Federal establishment. That, I think, needs no explanation, because that says that it is of interest to all of the people that no section of the country be allowed to fall into gross ignorance. The second point says that the American people are justified in using their Federal tax system to give financial aid to education in the States, provided they do this in a manner that does not delegate to the Federal Government any control of the social purposes and specific processes of education. The third principle is that any Federal financial support for education in the States shall be given only for education in general and not for special phases of education. The amounts and methods of distribution of such Federal financial support, if any, shall be determined on the basis of adequate educational and financial studies. Such grants shall not be centrally administered by the Federal Government, but by the States, territorial or other regional governments.—*Extracts, see 7, p. 224.*

National Advisory Committee on Education

THE American people are justified in using their federal tax system to give financial aid to education in the States, provided they do this in a manner that does not delegate to the Federal Government any control of the social purposes and specific processes of education.

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the relief of a distressed school system. The method is to grant an adequate sum of money to an efficient and kindly individual who will study the individual cases which present themselves to him, dole out aid and adjust and readjust his program according to particular needs as they emerge. It is only natural that the members of this group would prefer to meet the emergency in education by granting a large sum of money to an individual or a board in Washington to hand out according to best judgment upon evidence of acute distress. We readily appreciate the public spirit and logic of this point of view; but we who are connected with schools, above all others, should see the danger that is certain to follow. You can put authority over poor people at Washington; you can grant power to deal with the unemployed; you can give funds to relieve human misery caused by a flood, an earthquake or a depression; but, if you put schools in this class, no matter how great their need for aid may be, discretionary authority and power inevitably will grow at Washington.

The second group, composed in the main of lawyers and professors of political science, from its study of local and state government has become impatient of the delay and inefficiencies of legislatures, boards of aldermen and commissions. They know that there is stupidity and occasional corruption in our state and city governments, and it is only natural for them to infer that this applies equally well to school boards. The argument for centralization of power under the New Deal appeals greatly to them. They like its experimental attitude. In all future relations of the Federal Government to education, they say, let us apply these general principles. Place the control of funds in an individual or a board at Washington. Only in that way will the money go where it is needed. Only with authority in Washington can misuse and misappropriation of funds be avoided. This plan of administration appears to have worked very well in the last year in helping to solve the problems of the farmer, in developing the NRA and in constructing public works. It would be successful and welcome in the building of school buildings, in transporting pupils and in the purchase of supplies and equipment. We do not greatly object to centralized control of cotton and wheat, roads and canals, or codes which regulate business; but we must not forget that the American people can not afford to lose their immediate control of the interna—what is taught and how—in their public schools. No person, no board should be given the power to force local authorities to conform to any set pattern. The administrative techniques of the New Deal, excellent though they may be, must not be applied to our schools.

It is a little more difficult to define the third group. Many members of our own profession belong to it. It is composed of those who are just one step behind the procession in the study of school finance. In the early days, in devising plans for the state distribution of school funds, it was thought satisfactory to distribute a sum of money in proportion to the number of children of school age, to the number enrolled or to the number in average daily attendance. Students of school finance found these plans to be inadequate, and schemes were devised to distribute funds according to effort and need. It was

thought that the distressed districts should receive more aid than would be provided by such a measure as the number of the pupils; and in some states equalization funds were set up for distribution to the poorer districts according to the judgment of the state superintendent or the state board of education. To stimulate effort grants were made with provisos attached. A state would offer a certain sum toward the erection of a certain type of building, the equipping of a laboratory or the provision of a special teacher. Sometimes communities were offered aid, provided that they raised a proportionate sum themselves. The members of this third group have reached this stage in their thinking. They want federal aid to be set up on some such basis as this. They hope to see a federal board created which will study the effort and need of the states and the localities, and in its discretion be empowered to make grants upon as objective a basis as possible. You and I readily appreciate that this point of view seems sensible, but we must remember one thing. It was the power to distribute state funds which brought discretionary authority to state departments of education. It was the fact that localities had to match funds by the states, that there was a certain *quid pro quo*, which worked for the appointment of inspectors and the centralization of educational control. If similar programs are advocated and adopted for the distribution of federal funds to the states, I fear that inevitably power and authority will grow in Washington.

A number of us, as representatives of various educational, labor and social organizations, have been meeting together in Washington, in the effort to draft a plan for federal aid during the emergency upon which we could all agree.

The three groups just mentioned each advanced its point of view. Those who approached it from the point of view of charity suggested discretionary authority to be conferred upon an individual in Washington. Those who were suspicious of local government wished discretionary authority and experimentation at Washington. Those who were one step behind the school finance procession wished a national board of education at Washington which would devise a plan for distribution designed to stimulate effort and compensate for need.

But there is another principle of aid from central to local authorities which is finding favor. This is termed the *principle of efficiency*. The idea is that a free people can not rest content with a bare minimum educational program. Education must be moving onward and upward. Certainly every child must have a certain minimum offering, but unless there is opportunity here and there for something better, for a new development, for a readjustment or advance, educationally we should be in the doldrums. There is a good deal to be said for encouraging "that extra something." Central authorities can well afford to shore up the entire educational structure. One of the greatest fallacies commonly believed in this depression is that distress is confined to the schools which have been closed.

It is to provide and encourage development all along the line that the *principle of efficiency* was advanced. Un-

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(a) Such a policy is old, not new. It has been the accepted practice of the American people since the pre-constitutional period. The simple policy of making land and money grants to the States for education in general was followed up to the Civil War.

(b) Such financial grants covering a considerable period in our history did not foster control of education in the States by the Federal Government. The grants were made in a manner to foster local initiative and self-government.

(c) Federal money grants given since the Civil War were made to foster specific types of education believed to be necessary for special groups of people. Many of the acts granting these subsidies define limited specific purposes for which the monies granted may be used; they establish limiting conditions as to so specific a matter as length of class exercises; and they often provide that many details of the work are subject to the approval of federal officials with authority to reject plans and withhold funds. True, these acts are not effective unless the conditions of the act are accepted by state legislatures. But when a state legislature, in order to secure the money grant, accepts those conditions, it thereby delegates to the Federal Government some of its own responsibility for control of the social purposes and specific processes of education.

(d) Changing economic conditions in the United States have increased the income disparities of States without relieving them of a common national obligation to educate each citizen resident within their boundaries. The drift toward greater fiscal disparities is indicated by such evidence as we have. If this should prove to be the case, federal aid to education in general may prove to be a necessary fiscal policy.

(e) Adequate data are not now available to prove on economic grounds whether federal grants to the States in aid of education are or are not justified. With the wide variations in the methods of taxation used in the various States and with the rapidly changing economic conditions, it is not at present possible to determine unequivocally whether federal aid to education or to other public services will tend to retard or to promote reforms in local systems of taxation. Adequate studies on these points are needed, if the American people are to settle this vital question wisely in their own ultimate interest and not as a mere matter of guess work, sentiment, and passing philanthropic impulse.

If federally collected tax money is used to give financial aid to the States, it should be given to aid education as a whole and not as special grants for the stimulation of particular types of training.

(a) Our long experience shows that general federal grants do not tend to interfere with our essentially American method of keeping educational management as close to the people as is consistent with effective service.

(b) The widely current notion that control of education always follows any and all types of financial grants is not verified by experience; this false generalization arises from our comparatively recent federal attempts to stimulate and standardize special types of education in the States through money rewards and deprivals. Federal control followed, not from financial aid as a major purpose

but from its use as an instrument for enforcing certain specific educational policies and methods in the States.

(c) Complete financial audit gives the publicity that protects the Federal Government and is an adequate safeguard against state expenditure of federal funds for anything outside the broad educational purposes contemplated.

(d) Wisdom in state allocation and expenditure of funds given by the Federal Government is best guaranteed by full and detailed reports to the Federal Government. The printing and wide distribution of the same by the Federal Government will inform public opinion, the only competent check upon which popular government may rely in the long run.

(e) State governments are closer to the needs and aspirations of their communities than is the Federal Government. They can check results better than a more remote and centralized political authority. The smaller the area of governments, the more intimate, accurate, direct, and insistent is the criticism of administrative officers by citizens.

When a central government has jurisdiction over a country as geographically large, as industrially varied, as socially differentiated, as historically accustomed to local self-government, and as democratically constituted as is the United States, the inflexible rules inevitably associated with highly centralized administration seriously interfere with effective local action. Small governmental units have less difficulty in adapting their own procedures to their own conditions and needs.

(f) Increased federal control and weakened local initiative have been distinct products of attempts to use the Federal Government to spread desirable, special types of education by money controls used to achieve quick, wide and uniform conduct of the special education stimulated.

Such use of special grants has steadily increased the tendency of the Federal Government to impose its educational policy on the State Governments through the psychological influence of federal participation, through bureau or board administration, and finally through specific legal enactments. Each succeeding special grant has tended to widen, intensify, and fix final control by a federal agency.

Federal standards of procedure when first inaugurated generally represent the best selections from the then existent, widely divergent, and spontaneous experiments of many local communities. Such experimentation tends to be discouraged and restricted after a decade or more of standardization under central governmental influences, and progress halts with the retardation of free inquiry and experiment.

(g) When special grants by the Federal Government are inaugurated as temporary and transitional policies, in order to meet some apparent emergency of national importance, they tend to become permanent to a far greater degree than when made by state and local governments. The administrative officers interested in the financing of such projects are more remote from the scene of local action. While theoretically the servants of the people, they operate closer to the seat of Federal Government and often have a greater argumentative influence in Congress

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der this formula something is given to every locality, large or small. Aid is given to help the poor and the weak, but it is also provided to foster variation everywhere.

Now the amusing thing about this modern theory of school finance is this: When you grant state aid upon the combination of these two principles, that of equality and that of efficiency, it comes out very close to the old school population basis. In fact, if the principle of equality and the principle of efficiency were to be applied to the nation as a whole, we should be safe in recommending to Congress that by far the best way to meet the immediate emergency in education would be to grant to each state a sum of \$11 per pupil in average daily attendance for the school year 1932-33, with a slight additional amount for the less densely settled states. No board of strategy would be needed. No discretionary authority would be retained. Minimum programs would be cared for. Schools could be reopened at once. The whole financial structure would be propped up. Local control would be preserved.

It will leave the power in the states and localities where it should remain. It will enable the Federal Government to help pay the bill. Federal aid in any other form will tend to transfer the power away from the people. It will become repugnant to us. Mistakes made now may take years to correct; and federal aid of the wrong kind and the growth of the beginnings of educational despotism, however slight, will retard the development of American education for generations to come.—*Extracts, see 2, p. 224.*

by Dr. Paul R. Mort

Director School of Education, Teachers
College, Columbia University

THAT federal support for public education is inevitable must be the conclusion of anyone who will inspect the findings of the National Survey of School Finance.

Whatever the states may do in improving their local situations, the contrast between states when their own potentialities have been realized points to the absurdity of any stand that will place the complete responsibility for the support of education upon the states. Arkansas at the height of prosperity provided in the poorest districts a type of educational program that could be purchased for an annual expenditure of less than \$12 per pupil. New York at that time provided for its poorest districts a type of educational program that could be purchased for approximately \$78 per pupil. This contrast is not extreme.

Only those who have inspected the schools operated on these different levels have any conception of the con-

trast in opportunities afforded. The differences in these opportunities are differences in degree rather than in kind. In the better financed schools the whole stage is set to discover needs, interests and abilities of every boy and girl and to serve those needs. Well selected and highly trained teachers have their work supplemented by specialists who help them diagnose the physical, social and intellectual needs of their pupils and assist them in providing materials and activities to meet those needs.

As we pass from the better supported schools to the poorly supported schools we find fewer services established for the discovery and development of individual boys and girls. Children entering school fail to find the broader facilities for their transition from the life of the home into the life of the school. Schoolrooms are lacking in equipment and in the social, intellectual and artistic elements found in better supported schools. Teachers are less well prepared to understand the needs of boys and girls and are less well equipped with materials to use in meeting these needs. The most meager help is available to supplement their services on the physical side and little or no help is available on the intellectual side.

The National Survey of School Finance analyzed the situation in thirty-two states to discover the type of program toward which each of these states should work as a minimum objective. It is probable that under the best conditions the objective set for each state will not be attained in less than two decades. Yet when these desirable ends have been achieved the best to which Arkansas can look forward is the type of educational program that was purchased in 1924 for \$24 per pupil annually. This may be contrasted with the educational programs to which such states as New York, New Jersey and California may confidently aspire and which cost \$115 per pupil in 1930, or that to which Minnesota may aspire and which cost \$80 per pupil in 1930.

Can the American people look with equanimity upon such a situation? With the states doing the best that may be expected of them, the minimum conditions in the abler states would still be at least four times as extensive as those of the poorer states. Are we to be satisfied with the situation that will deny to vast groups of boys and girls the demands of the American ideal? The answer must obviously be no. The unsatisfactory nature of the state as the ultimate financing unit can no longer be glossed over by the excuse that if states were to put their own houses in order the educational situation would be corrected. The national government must take a hand in the financing of education.

But what about control, the bugaboo that has played so large a part in the thinking in this field in recent years? A study of the report of the National Survey of School Finance will show that considerable headway has been made in laying this ghost. But even if this were not so, the facts reviewed clearly indicate that it is time for those honestly interested in the contributions of public education toward carrying out the great experiment in popular government, to face squarely the fact that national support must come and to work out ways and

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than do the unorganized millions of people supposed to be served by the special grants. This is not true in anything like the same degree where a state government sets up a special, transient policy, and administration. A policy which has served its purpose is more readily revised or revoked in the States.

(h) Such federal favoring of special types of education obstructs the growing American tendency and aspiration to see and deal with the child's life and with society's needs as a balanced whole.

A tendency to set up more than one system of educational management within the States seems to have inhered in the system of special grants and special managements set up by federal grants, in spite of the natural resistance of the States.

The matching of federal money grants, with state or local funds whether their use is for general or special educational purposes is a policy not to be favored in the field of education.

The matching of federal grants for general educational purposes is far less serious than matching special grants. The States and local communities are likely to be spending far more money for education in general than the probable amounts of aid which the Federal Government is likely to grant in a perceivable future. But if any general federal grants require matching with new, or additional, local monies, it may have a serious result in States already taxing themselves near their limit. Federal aid would, under these conditions, not relieve poor States but overburden them.

(b) The state and local matching of special purpose grants tends to aggravate already existing state budget difficulties by giving the Federal Government actual control over certain portions of state money now in many instances, raised with great difficulty. State and local monies matching federal aid are, under present practice, expendable under contractual conditions affecting both alike; thus monies raised by the States tend to pass out of their free and flexible management. Thus, matching federal grants tends to destroy state budgets by committing local monies to purposes for longer than ordinary legislative interims, so great is the temptation offered in the form of conditioned federal monies. Theoretically, one legislative body cannot readily bind its successors. Practically, a sense of moral obligation to agreements and understandings does hamper the freedom of succeeding legislatures.

(c) Matching federal funds for special educational purposes with state or local funds tends to create favored types of education, taking from the State the free discretion to deal equitably by all types of education. Through standardization, nationally induced, salary status and equipment discriminations have been brought into existence with serious effects upon professional morale in the various localities.

The Federal Government should render large intellectual assistance to the States in matters of education through scientific research, and the collection and dissemination of reliable information, particularly when the types of intellectual, scientific, and professional service needed cannot be provided by the States and the local communities.

(a) The area of valuable American experience with education covers all of the States. No single State can have adequate access to the experiences beyond its boundaries. In this regard what the local communities and States cannot do the Federal Government should do.

(b) Such a service being voluntary, and intellectual in character, does not offend the democratic spirit. It implies free access on the part of all the people to competent information, and free decision in applying this information to both the local and the national educational circumstance and aspiration. Such a service has no coercive element in it. It rests on accurate knowledge, open discussion, and unhampered choice. It guarantees educational reforms and readjustments resting upon an informed public opinion, the essential basis of a democratic life.

(c) Thus far every group appearing before this Committee, in the many conferences held, has heartily endorsed the worth, desirability, and propriety of such an intellectual service being rendered by the Federal Government. This service is not now adequately performed in education. Striking examples of the effectiveness of this type of services may be found in the work of the Departments of Commerce, Agriculture, and Labor.

(d) The history of governmental bureaus that have little legal authority and ample intellectual facilities is that they tend to enlarge their scientific inquiry, their dissemination of knowledge, their wish to confer, and their sensitiveness to local difficulty and need. They tend to become increasingly cooperative in getting results.

On the other hand, governmental bureaus that are highly endowed with political power, tend to resort to investigation, dissemination, and free argument less and less as their legal authority grows more and more. They tend to promote the specialty in which they are interested by appeals to political devices such as temptation of money-grants, given or withheld, legal authority, and power to approve programs or reject them.

(e) The more civil administration rests on fact-finding in the scientific spirit, the less is the danger that a governmental policy inaugurated to meet a new need in our rapidly changing economic social and political conditions, or a governmental agency established to promote that policy, will become a permanent incubus on government. All this has a particularly important bearing on education which must provide training for the American life that is to be, rather than for the American life that was.

Modification of the federal means of aiding education should include provision to assure adequate periods of transition.

(a) It is wise to avoid sudden fractures in procedure by providing an adequate period of transition from present policy and procedure to a different policy and procedure, whether the latter be a complete innovation or a mere restoration of a former policy. Particularly is this true where States, local communities, and local institutions have been dependent on budgeted income partly derived from the Federal Government.

(b) The capacity of a people to be responsible, and of administrators to be effective, cannot be created suddenly by legal fiat. Popular consciousness requires time in which

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means by which this may be done. The time for academic discussion of this problem is past. What is needed now is a practical attack that will assume what is patently a fact—that the health of the public school system of America demands national support on an intelligent basis and at the earliest possible moment.

Now that the nature of the steps that should be followed in the various states is understood we may readily see where national support may be introduced without involving controls. The necessary steps within the states are three in number: (1) equalization of the burden of the present minimum in each state regardless of the poverty of its minimum program; (2) expansion of the actual minimum until it attains the minimum which is reasonable for the state and (3) in those states in which the reasonable minimum toward which the economic conditions of the state justify aspiration is lower than a reasonable national standard, the further expansion of the state's minimum up to a national minimum.

Only a few states have taken the first step. Results of the National Survey of School Finance show that the typical situation within states requires the poorer 5 per cent of the districts to levy a tax rate from three to nine times as high as that required of the upper 5 per cent of districts. The poorest 5 per cent are typically required to carry from two to three times as heavy a burden as the districts of average wealth. In such states as New York, Maryland, Delaware and North Carolina the burden of supporting the present minimum program is practically the same for all types of districts.

The elimination of these inequalities in tax rates involves only a redistribution of the burden. No control is necessarily involved even on the part of the state. The national government could supply the funds necessary for equalization without expanding the state minimum toward a more desirable level. As much as \$250,000,000 could be distributed to the states annually without involving expansion of the poorest program in the poorest state. The result would be a marked release of state and local funds.

The second step, unlike the first, involves new educational expenditure. This new educational expenditure is required to expand the programs in the poorer districts. Using the 10 percentile districts as an index of lowest expenditure, we find the lowest expenditure to be at approximately \$12, while the highest is something over \$70. The desirable minimum as determined from financial conditions in Arkansas is at approximately \$24. This falls at about the 50 percentile as will be noted from the scale on the left.

It is obvious that the result of bringing the minimum program in Arkansas up to the \$24 level will be an increase of the expenditure for approximately half of the pupils in the state. This increase will vary from \$12 in the districts of lowest expenditure to only a few dollars in the districts which now approach the \$24 level.

If state or national money were substituted for the money now used by the locality in supporting the minimum program—a \$12 program in the case of Arkansas—the locality could then use this amount to expand, to some extent at least, the present inadequate program.

As these minimum programs were expended the actual minimum program equalized within the state could be raised and again federal funds could be used. These in turn would relieve state and local funds for further expansion until an adequate minimum was reached.

This situation would be reached for Arkansas when the minimum level within the state had been raised to \$24. This is the best that may be expected of Arkansas without federal aid. With a substantial amount of aid from the federal government for the support of such a program, however, the state would be able further to expand its minimum up to some nationally desirable minimum program. The process would be exactly the same as that described for expanding the present minimum up to the desirable state minimum program. In other words, state and national support would follow, and take the place of support actually introduced by the communities on the basis of their own initiative. In every case it would be a refinancing of a program already in operation. By this process the element of control could be avoided to a large extent within the state, so far as the national program is concerned.

Of course the necessity of leaving the initiative to the states to eliminate undesirable conditions would make the expansion of federal support a comparatively slow process. It is probable that two or three decades would be required. Greater speed would involve the forcing of state action or the introduction of a certain amount of control.

It should be obvious that the introduction of national support need not await, as has been proposed in some quarters, the putting of things to rights in the states. National action can and should be used in the process of putting the house in order and this can be done without involving national control.—*Extracts, see 6, p. 224.*

by Fred Engelhardt

Professor of School Administration,
University of Minnesota

AN extensive study of economic trends in the United States and of the relationship between the states and the federal government indicates that federal aid to public schools is inevitable.

The evolution of public education within the several states brought with it a struggle between support and control. It was a long time before those who controlled the taxable resources were willing to admit that education is a state function. It also was some time before the states were ready to assume the responsibility of equalizing public school costs which constituted such a heavy burden on certain sections of each state. Some states do

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to adjust its attitude, and governmental organization and personnel need a period in which to make themselves competent in a different mode of action.

(c) This is particularly true where the changes projected have to do with ways and means rather than with purposes. In all recommendations changing method rather than purpose, no attempt is made to change the major desire or intention of the people as previously expressed by Congress.

Every policy here presented aims, in the long run, to give more effective realization of the worthy social purposes which past Congresses have tried to aid. The recommended modes of realization may be slower, but they are more certain and more lasting. Once successful they guarantee everywhere a supporting local opinion which is active, dependable, and tenacious.

The Committee regards the foregoing principles and policies as a dominant importance. Believing that they are the necessary guides in the evolution of federal relations to American education and that it is essential to follow them if we would make the United States meet its responsibility for national aspects of education in ways that are consistent with our kind of democratic civilization, the Committee submits the nine following specific proposals for action:

1. For at least five years and until the results of the finance surveys recommended in Number 4 below are adequate to provide a sound plan for an equitable and economical method of federal financial assistance to the States, continue the special appropriations now in force for the purpose of aiding agricultural education and research, rural extension for adults, vocational education, and similar educational enterprises, but leave the States free to expend such for the specific purposes designated without the requirement for matching of monies and without federal authority to approve or reject state plans.

2. Amend those existing laws which give or tend to give the Federal Government and its agencies power to interfere with the autonomy of the States in matters of education. These amendments should repeal all provisions that require the States and their local communities to match federal funds or that grant power to the federal agencies to approve or reject state educational plans, to prescribe the standards controlling instruction, or otherwise to supervise and direct educational or research activities within the States.

The foregoing discussion does not relate to federal research activities in fields other than education save as these affect the autonomy of the States in the conduct of their educational affairs.

3. Enact no additional laws that grant federal financial aid to the States in support of special types of education or that increase existing federal grants for such special purposes as are already aided.

4. In line with the study of school finance recently begun by the Office of Education, make further and continuing studies of tax systems, distribution of national income, living costs, public expenditures for eleemosynary institutions, bonded indebtedness, federal aid to States for purposes other than education, and of such other features of the situation as may be necessary to understand the

total economic, political and fiscal organization of which the school system is a part. Such facts in particular should be sought as will reveal how far and by what methods the people are justified in using the federal tax system to supplement state and local taxes in support of public education in the States in order to insure meeting fully the national responsibility for education.

Similar studies should also be made at once to answer two questions:

First: How far shall the Federal Government properly grant funds either to the States in support of specially designated institutions or directly to particular institutions?

Secondly: What are the right uses of the remainder of the public domain in the States for the uses of education?

5. Make all future grants to States as grants in aid of education in general, expendable by each State for any or all educational purposes as the State itself may direct. Such grants should be made only after thorough educational and financial studies have shown to the satisfaction of the appropriating power that such federal aid is justified. Such grants should in no case be flat grants of an equal amount for each State, but should be apportioned to the States on the basis of adequate educational and financial studies. Such grants should be made for a definite and not an inconclusive period, and be subject to review at the close of every ten-year census period, when needed readjustments may be made to meet changed conditions. The only restriction placed by federal legislation on such educational grants should be the provision that every State, when it accepts the grant, agrees to make each year to the federal headquarters for education a full report on all questions on which the federal headquarters for education may require information concerning the manner in which the States has used the grant.

6. Restrict the audits of the Federal Government to those made by the Treasury Department merely to determine whether or not monies granted have been spent for the general or special educational purposes as defined in the several federal acts of appropriation, without making audit an indirect method of controlling or determining educational standards and processes.

7. Emergency grants made by the Federal Government to meet some special and transient crisis involving the use of education should be restricted to financial aid to investigate the problem, to disseminate the needed information and to promote cooperation among all the States and local communities. A new federal agency may be created for this temporary purpose if the needs are such as to necessitate this, but financial grants to such a new agency should be made for a strictly limited period, and not renewed.

8. Create an adequate federal headquarters for educational research and information, so organized as to serve both as a reliable source of comprehensive, correlated, and accurate information regarding national aspects of education for all concerned in the States, Territories and outlying possessions, and as a cooperating center for all federal agencies with respect to the educational aspects of their work.

9. Increase the federal appropriations for educational research and information service by the Office of Educa-

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not yet appear to be aware of their responsibilities in this connection.

In the movement to bring about equality of educational opportunity to all children within the various states the local school districts gladly accepted as much money as the state was willing to give them so long as the state left the local division free to do as it pleased. State support appeared essential, but it was insisted that local control must be maintained.

State support without state control resulted in a new form of inequality. Many areas in each state gained distinct advantages over other areas, irrespective of the method used for distributing state money. The reason for this situation was that the underlying structure of the school district was unsound. Lacking control the state had no way to correct the basic diseased conditions fostered by the existing school district. Thus state support without state control tended to perpetuate conditions that were basically unsound—socially, economically and educationally.

Economic pressure has gradually forced advocates of this false interpretation of the theory of local autonomy to admit that control and support of public education within a state cannot be separated satisfactorily. Educational leaders must develop a balance between state support and control that will function in actual practice. The proper step in this direction will be taken when the most economical unit of school administration has been created and when those characteristics that are essential to the preservation of public enthusiasm for education are fostered. Time and study will eventually produce this situation.

The states are now passing through a similar evolution with respect to the place of the federal government in educational matters. The day will come when those who control federal resources will be forced to admit that the federal government has certain responsibilities for the maintenance of public schools. The first step in acknowledging this responsibility is through federal support, and the states will accept the money granted with enthusiasm so long as control remains with the state.

It will require some time for the necessary readjustment in thinking to take place, the same as it did in the case of state support. It will be impossible to operate for any length of time on the theory that the federal government may grant money to the states for educational purposes without federal control. Time and past experience will show that certain sections of the country will profit at the expense of other sections under such a plan. In other words, the people will ask: Why allow an area of the country to continue as a state when it cannot exist economically as a self supporting unit? The doctrine of state rights will then be bitterly contested.

As the federal government assumes its responsibility for public education it will be necessary to establish that balance between support and control which is essential to the maintenance of efficient and economical schools. It will be discovered that certain educational activities are best carried on by the federal government; that other activities are handled best by the state, and that still other activities are rightfully the responsibility of the local

school divisions within the state. Is it mere speculation to imagine that there will be fewer than forty-eight states when the ideal plan of public education is eventually evolved?—*Extracts, see 8, p. 224.*

by Edwin Broome

Superintendent of Schools,
Philadelphia, Pennsylvania

I FAVOR increasing federal support of education as a necessity and not as a principle, because I believe that for a considerable number of years, perhaps indefinitely, many communities will not on their own resources be able to give their children the equality of opportunity in education that was guaranteed by the Declaration of Independence.

As to the general principle of federal support of education, I would go so far as to agree that the federal government should subsidize education in certain communities under certain restricted conditions, for example, (1) that the community will maintain a program of education for all its children, which should not be inferior to a standard set by the federal government, and (2) that the community will present evidence to the federal government that it has made every reasonable effort to finance such a program and has failed through no fault of its own, such as the incompetence or dishonesty of local officials or an ineffective system of taxation.

As to the influence of the federal government in local education, this naturally will follow the added support, to the extent, at any rate, of sufficient supervision to make certain a program of education of high standard. Beyond this, I think both the support and the control of education should be a state function.

There is, of course, danger that subsidies from the federal government, if injudiciously applied, will tend to perpetuate wrong educational ideals and practices. In the emergency through which we are now passing, we must expect that result in many instances, but if federal aid is to become a permanent policy of the government it should be predicated upon a program of education worked out by representatives of the best thought in education throughout the country.

The federal aid that is needed just now is an emergency need and should be applied without regard to whether or not the school program has been sold to the community. The selling of the school program is a long job and requires the national, state and local school authorities in cooperation.

Uniformity of standards is undesirable beyond a minimum standard program, especially in a country that is as

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tion, by the Federal Board for Vocational Education, by the Extension Service and the Office of Experiment Stations in the Department of Agriculture, and by other offices or bureaus of the Federal Government primarily concerned with the stimulation and improvement of various types of education in the States; and provide ample facilities to these offices for supplying to all concerned the results of research and statistical studies through publications and conferences.—*Extracts, see 3, p. 224.*

The Rev. George Johnson, Ph. D.

Director, Department of Education
National Catholic Welfare Conference

THE United States Commissioner of Education, Dr. George F. Zook, last year invited a group of people representing various shades of opinion concerning Federal aid to education to meet with him in Washington in an advisory capacity, to canvass the whole situation and to discover if it were possible to achieve something like a common mind concerning Federal aid to education in the emergency. A meeting was held in Washington on November 27, 1933, at which a preliminary draft of proposals formulated by a subcommittee on legislative plans was discussed. The various points of view expressed were carefully noted and the whole matter was turned back to the subcommittee for further study.

A second meeting was held on January 6, 1934, at which the revised report of the subcommittee was presented and finally adopted after a series of amendments had been incorporated.

It seemed to be the general consensus of opinion at the meetings of the committee that the chances of getting the \$50,000,000 to aid the schools during the year 1933-1934 and the \$100,000,000 to aid them during the year 1934-1935 would be very much better were these moneys to be sought through a special provision in the Relief Act and not through a separate Federal appropriation. This procedure would, moreover, satisfy in some degree the scruples of those who fear that the granting of Federal funds for education in the emergency might easily become the entering wedge for the adoption of a permanent policy.

The fear of Federal control as a result of Federal appropriation was in the minds of most members of the committee. There was considerable debate concerning the method whereby funds allocated during the emergency would be distributed. The opponents of Federal control were in favor of an objective method, that is to say, a method which would not allow the Federal Government to use the funds in such a fashion as to interfere with the local direction and control of the schools.

Were the distribution of funds left more or less to the discretion of a Federal agency, there would at least be a strong temptation to use the funds to bring about some much needed reforms in the local administration of schools. For a number of years now students of school administration in the United States have been convinced

that the small unit for educational administration, which obtains in so many parts of the country, is wasteful from a financial point of view and inefficient from the point of view of sound education. Thousands of independent school districts have interfered with the development of a system which would guarantee that all the children of any given State, regardless of the accident of residence, would have equal educational opportunities. However, the inertia of an established order and the instinctive American urge to maintain local control of all those phases of government that most nearly affect the more intimate phases of daily life have thwarted to a large degree most efforts at reform, and the small independent school district continues to occupy an entrenched position.

Again such breakdown as we have had of the American school system is perhaps fundamentally a breakdown of our local taxation system. The faults inherent in this system, with its overemphasis upon real estate and property tax, have become more and more apparent as the years have passed. Various important studies have been made on the whole problem and suggestions for reform have been numerous, but the tangible results have been few. Not only the schools but other forms of public service are suffering from this cause. Run down the list of municipalities throughout the country and you become a bit appalled at the number of them that are really bankrupt. Not only school teachers but policemen, firemen and city employees of every description have had their income seriously reduced or are working for promises to pay in the future.

It is a question whether or not there is enough information available to justify the formulation of a scientific plan for tax reform. On the other hand, it seems to be true that there is an absence of anything like a universal desire for such reform or any general conviction that it should be undertaken. Moreover, there are always political forces of one kind or another that object to any departure from the status quo and bring strong pressure to bear upon any legislature that seems minded toward change.

Now there are those that feel that a short cut might be taken, at least as far as education is concerned, by giving the Federal Government some discretion as to the use of Federal funds for the schools. Funds might be withheld, for instance, from States that are making no effort in the direction of larger units for administration or from States that refuse to put educational support on a sounder basis by changing their tax laws. Of course, if the method of distribution were objective, that is to say, based on population or school attendance or any other measure that would operate in the same fashion for all the States of the Union, the Federal Government would simply give out the money and the States would use it as they saw fit. They would not be forced to accept Federal standards and change their ways as a condition for receiving the grants.

This point is extremely vital. There is much to be said for the method of discretionary distribution. If there is something radically wrong with our American schools and the system under which they operate, the granting of Federal funds might easily amount to merely throwing good money after bad and consequently perpetuating the condition that has created the emergency.

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diversified as ours. There should be a wide field in which the local school system may have freedom in developing a program adapted to local needs.—*Extracts, see 11, p. 224.*

by Shelton Phelps

Dean, Peabody Graduates School

I FAVOR federal aid to American education when extended in the characteristic manner of earlier history. I favor pitiless publicity in regard to all administration of public funds. I do not favor a system of federal inspection and auditing.

Federal aid to education, under present trends and practices, is probably necessary. If handled as a subsidy given on the basis of effort-need, with its administration attended by complete publicity, the traditional inadequacy of school organization should be remedied. Such aid could be a means for accomplishing better publicity. Establishment of education as a state responsibility was a wise provision and should be preserved. If uniformity and standardization are desirable aims—I think they are not—then centralization is the effective means of achieving them. This would mean federalization.

The functions of the federal office of education in education should be advisory. This presupposes adequate research facilities. A review and reevaluation of state expenditures would, I believe, provide a satisfactory minimum offering in education in the state of Tennessee.—*Extracts, see 11, p. 224.*

by Walter Crosby Eells

Stanford University

It is high time for the adoption of a policy of federal support of education on an extensive scale. A government that spends millions for the improvement of corn, cotton and cattle should spend other millions for its children. Generous appropriations have gone into federal road building. Education is more important than transportation. As a result of these roads, and of the automobile, the press, the radio and other agencies, states are closer together now than counties were in the nineteenth century.

Migration of population has become an everyday matter. Of almost two thousand men and women listed in the last edition of "Who's Who in America" as residents of California, only one-fourth were born in the state. In Oregon only one-half are native, in Washington only one-seventh. The people of the Pacific Coast should be as desirous that those coming to their borders be well educated as that good schools be maintained for their own children.

The ability to support public education has always varied tremendously in the different states. It has only been accentuated by the present economic crisis. The federal government has acknowledged its responsibility for the physical well-being of youth in the Civilian Conservation Corps; but C. C. C. must also mean Cooperative Conservation of Children in a national sense.

The federal government is the only possible agency that can help to assure equalization of educational opportunity, not primarily for the sake of a single state, but for the welfare of all the children. The federal government may reduce the content of gold in the dollar. It must increase the content of the gold invested in the education of its youth. Economic necessity may drive us from the gold standard, but the necessity for preserving the educational standard is greater than ever before. The federal government must help.—*Extracts, see 11, p. 224.*

by Julian E. Butterworth

Cornell University

I FAVOR the general plan of giving funds to each state, after the emergency is over, going as far as public sentiment will permit toward the distribution of such funds on the basis of need. I should regret to see, in such a scheme of aid, any marked development in the degree of authority granted the federal government. The very nature of education requires that its control be kept as close as possible to the citizen body. Any federal regulations that may be considered necessary to protect the funds should therefore be of a general nature.

I do not believe that the federalization of public schools is necessary in order to secure uniformity and standardization of a desirable sort. Rather, there is grave danger that federalization would eliminate desirable types of diversity and would discourage an intelligent experimentation on the part of states and localities, which is, in my judgment, essential in a real system of education.—*Extracts, see 11, p. 224.*

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Johnson, Cont'd

On the other hand, once you yield power to the Federal Government, even for emergency purposes, to control the administration and direction of education within the States, you have embarked upon an adventure fraught with gravest consequences for the future destiny of the nation. Perhaps it is inevitable, what with the tremendous changes that have been going on in almost every phase of human existence in the last thirty years, that State boundaries should disappear for all practical purposes and the government of our people should become increasingly concentrated in Washington. Yet I dare say that the average intelligent American citizen would refuse to admit the inevitability of this process, and if he be encouraged to think about it at all, he would no doubt come to the conclusion that because the process is evidently under way it is highest time for him, in the name of everything that, as an American, he has learned to cherish, to take a strong stand against it. For if it is allowed to proceed unimpeded, it is bound to destroy democracy and make for some form of bureaucratic collectivism. It might be fascism or it might be communism, but in either case the effect upon the liberty of thought and action of the individual citizen would be quite the same.

There is something to be said, from the point of view of the education of the national character, for "muddling through." Take away from a people the opportunity of making mistakes and you take away from them the opportunity of learning from making mistakes, a form of learning which can be most effective. At any rate, this much is true—no one ever learned very much by being herded about.

There is much to be said for social regimentation, if you happen to be thinking in terms of fool-proof social control; there is little to be said for it, if you are thinking in terms of changing fools into wise men.

Taken by and large, it is only fair to say that those who are seeking Federal aid for education in the emergency are opposed to Federal control. The question still remains, however: Can Federal control be divorced from Federal aid, and will not the Federal Government succumb sooner or later to the temptation of getting things done in a hurry and use whatever money it has at its disposal as a means of enforcing its will?

Those who are opposed in principle to the extension of Federal aid to education are naturally fearful lest what is undertaken as an emergency measure become a permanent national policy. The proponents of a larger measure of Federal interest in the nation's schools make little secret of the fact that they are counting on emergency legislation to accomplish precisely that outcome. After all, it is rather difficult to delimit the emergency. As far as the schools are concerned, it is a fairly sure guess that something like prosperity will have been with us quite some time before they feel its effects. Consequently, there will possibly be as much reason to ask for Federal aid in 1936 or 1937 or 1938 as there is at the present time.

As a matter of fact, the granting of any measure of Federal assistance this year and next may only serve to complicate the situation and make it harder for the schools to achieve that measure of local support without which, unless we intend to ask the Federal Government eventually to foot the entire bill, they cannot maintain themselves.

The purpose of recommendation number 3 of the Federal Advisory Committee on Emergency Aid in Education is to meet that particular aspect of the emergency which is bound up with "the instability of educational support even in the abler States and communities, due to the shrinkage of local ability to support schools during the depression." What the committee had in mind was the fact that the tax on real estate is destroying its base and that the crisis thus precipitated must last until such time as States and local communities find other means of securing revenue. For this purpose a "substantial sum" is suggested for distribution during 1934 and 1935. Anything less than \$500,000,000 would hardly be regarded as a substantial sum, and there is no possible way of obtaining assurance that there would be any marked change in taxation methods before it would be expended. As a matter of fact, if this proposition were ever enacted into a law, the camel would be completely and comfortably inside the tent.

Those who are begging the Federal Government to come to the aid of education, like all other groups that are asking the Federal Government to come to the aid of something or other, are ostensibly, at any rate, giving scant thought to the question: Where is the money coming from? The tremendous obligations that Washington has assumed in its war on the depression, the Gargantuan sums that are being spent right and left in the effort to relieve want and distress and at the same time, prime the industrial machine, by contrast, make a mere matter of fifty or a hundred million dollars seem like pin money indeed. Yet there must come an accounting some time. Perhaps we are entering into an era in which there will be no room for the profit motive and in which all earnings of capital will be devoted to some phase of the commonweal; when the average individual will get the same joy out of paying taxes, that he now gets out of buying luxuries or building up a private fortune. But if we are entering such an era, we are not as yet very far in, and the average hard-headed citizen is still oppressed with the thought that the piper has to be paid and that he, personally, is not going to enjoy the paying.

Writing in the *Saturday Evening Post* of January 20, 1934, Mr. Albert W. Atwood, who for years has been a careful and studious observer of national affairs, concludes it will be possible to borrow sufficient money to finance the Recovery program and to amortize the debt thus incurred by tax collections, if three conditions are met. There must be a moderate increase in industrial activity. There must be "calm belief in the future on the part of the people, including complete confidence in the integrity of their medium of exchange." But above all, writes Mr. Atwood, "there must not be further extraordinary additions to the program. If Congress decided to lend the government credit to numerous other causes, if it piles billions of further spending, lending and indorsing upon liabilities already incurred, if it goes in for more guarantees, straight or quasi, and if it takes on greater additional liabilities, even potential and contingent, the Treasury problem may not prove surmountable. No form of credit is an endless road. As President Roosevelt said when he was Governor of New York: 'A continued deficit on the part of government means the poorhouse.'"

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PRO

by William A. Sutton

Superintendent of Schools, Atlanta, Georgia

I BELIEVE that both federal support and federal influence in education would be beneficial to the entire nation. Local control as now exhibited, especially in the South and in independent school districts, could be bettered, I believe, by federal control.

Federal general subsidy to education could not be given without some check or appraisal as to how the money is used. If federal money is to be distributed, a part of it should be distributed on a general per capita basis to the state; a larger part should be distributed where the need is greatest.

It is my opinion that federal aid is absolutely necessary to education. The conditions laid down to procure federal aid should be such that they would not perpetuate the inadequate traditional school organizations we now have. It would be altogether possible for the federal government to cooperate with the local government in keeping the people informed and this would be better done if we had federal help.

The present decentralized system of forty-eight state systems is not worth preserving. There are features of it that are tremendously worth while, but the advisability of maintaining all of the machinery and the expense and the politics in order to preserve these good features is open to debate. The federal government should cooperate in the development of schools just as it is cooperating in the development of roads and interstate commerce.

The greatest service the federal government could offer public education at the present time would be to provide some way to equalize educational opportunity for the citizens of the United States, especially with reference to persons in rural areas. If local, county and municipal governments could be eliminated to a large extent and this money spent for education, then Georgia could finance a satisfactory educational program.—*Extracts, see 11, p. 224.*

by William W. Beatty

Superintendent of Schools, Bronxville, New York

I CERTAINLY favor federal support of public education in the United States at the present time, and I decline to accept the inference that it is inexorably linked with federal influence.

Adequate public education is impossible in many parts of the United States without some form of financial equalization on a federal basis. Experience in New York State, with the Mort equalization formula, convinces me

of the fundamental soundness of an equalization program based upon relative needs. The major difficulty facing education at the present time is the extent to which it is dependent upon the land tax, and this condition will continue until other forms of wealth are made to contribute to the support of public education. The most effective manner in which the taxation burden can be spread is through the federal government.

Federal support of a basic program, through an equalization formula, need not in any way affect local control. This has heretofore not been true with regard to the various proposals basing support upon conformity to a standard program. I believe that it is essential to preserve the initiative of the individual districts and am opposed to federal uniformity and standardization of educational practice. I think it is essential for us to recognize that with the Mort formula for basic aid, we are no longer confronted with the ogre of federal dictation and control.—*Extracts, see 11, p. 224.*

by Arch C. Heck

Professor, Ohio State University

Yes, federal aid is necessary at this time. The need has always existed. Today it is greater than ever. We are not forty-eight independent commonwealths. If one state chooses to breed ignorance, the remaining states cannot close their doors upon the people so bred. Neither is there equality in the ability of states to provide for their children.

Necessity for federal aid has recently been intensified; this is due to increased demands placed upon the schools and to increased inequalities in ability to pay. Industry employs less youths under eighteen; the NRA is demanding the prohibition of labor under sixteen; states are awakening to the need of federal control of child labor under eighteen. Such prohibition demands a school program to care for children until labor is permitted. The best schools are inadequately providing for all youths until eighteen; yet such a program is indispensable if children are to become self-supporting, self-amusing and self-directing.

States and localities must be given the aid necessary to provide such an education. Property taxes are being defaulted as well as lowered; property valuations are being slashed; states dependent largely upon such support are closing schools, cutting educational necessities partly from need, partly from unreasoning fear. Federal help can both aid and stimulate local effort.—*Extracts, see 11, p. 224.*

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The fact that direct concern for education did not find expression in the original legislation enacted under the New Deal, might seem to indicate that the President felt that here was a problem that the States might well handle themselves, particularly since the Federal Government was coming to their rescue in so many other ways. He is addressing himself to the correction of those deeper social evils, of which phenomena like closed schools are a symptom. His faith would seem to be in radical surgery and not in temporary and superficial palliatives. There will be no permanent recovery for American education until there is permanent recovery for American agriculture, industry, and labor. The national government cannot do everything, and in the degree that it is forced to dissipate its efforts and resources, its fundamental program is menaced. This does not imply any callousness toward the present plight of the children and their teachers, nor any underestimation of the value of sound education. It is simply the assertion that first things should be done first. The best possible aid the Federal Government could possibly extend to education, would be the successful realization of the ideals that have been preached by President Roosevelt. If direct and immediate aid to the schools involves any threat to the success of the Recovery program, it surely would not be the part of enlightened patriotism to press for it.

That the Catholic schools of the nation have been deeply affected by the depression goes without saying. Yet it is a tribute to their fine loyalty to the sacred cause to which they are dedicated, that they seem most reluctant to capitalize their distress. The sacrifices they have been forced to make seem but to strengthen and intensify the morale of our teaching brothers and sisters, and as a consequence the number of schools actually closed is remarkably small. Of course, there have been curtailments all along the line, curtailments of supplies, of textbooks, of numerous valuable school activities. But the resourcefulness, which seems to be a fruit of the religious life, has provided for many a material deficiency, and as a consequence the reports of the Diocesan Superintendents, received to date, all breathe a spirit of confidence and hope.

Catholic education in the United States is alive with a vitality that surprises even those who are close to it. It is freighted with the love and the pride of the Catholic people who have devoted themselves to its development. It is part and parcel of Catholic life and living, and it is American in the truest, deepest sense of the word.

The present situation, in which the wishes of only that portion of the populace, even though it be the major portion, that is content to have its children receive a non-religious education, are taken account of by public authority, is intolerable. A parent who takes advantage of his right under the Constitution to educate his children according to the dictates of his conscience, is penalized in the exercise of that right. The money he pays through taxation into the public treasury is used to educate his neighbor's children. When he raises his voice in protest, it is not because he is demanding that the State subsidize his Church, but because he feels keenly the injustice involved in double taxation, and feels that there should be enough sense of fair play and enough practical wisdom abroad in the land, to discover some method by which he

could be reimbursed for the contribution he is making to public welfare by providing his children with a religious education at his own expense. His rights with regard to the education of his children are prior to those of the State. It is the duty of the State to respect those rights and to protect him in their exercise. By forcing him to bear the yoke of double taxation, the State is not only failing to respect the rights of the Catholic parent, but is placing him at a disadvantage in comparison with parents of other convictions, and handicapping him in the free practice of his religion.

If I might venture to express a personal opinion concerning Federal aid to education in the emergency, I would say that I am not inclined to favor it, because I am not convinced by the evidence thus far presented that it is necessary, and feel that from the point of view of the future of American education, it is unwise. However, I realize that tremendous pressure will be brought to bear upon Congress and the Administration to do something for the schools. There may be a mood to withstand such pressure. If not, then I would say:

1. Any legislation that is passed should be so framed as to leave not the slightest room for doubt or ambiguity concerning its emergency character. My preference would be for a special provision in the Relief Act, rather than a separate Federal appropriation.

2. The allotment should be made in such a manner as to preclude all possibility of Federal control.

3. There should be nothing in the language or the spirit of the legislation to prevent the States from allowing privately-supported schools, not maintained for profit, conducted in accord with respectable educational standards, and hence public to all intents and purposes, to participate in the Federal grants, if they make application for such participation. The aid should be given in terms of all the educables of the United States, and should not be limited to those who happen to be in those public schools which are now supported by public taxation.

—Extracts, see 4, 224.

by Paul C. Stetson

Superintendent of Schools, Indianapolis, Indiana

At the present time I am not in favor of federal subsidy for our public schools. My position is based on the fact that such a subsidy entirely violates the traditional principle upon which our schools were founded and have been conducted, that it will result in control through a bureau and that bureaucracy means the death of progress.

Such federal subsidy to one community immediately raises the question in other communities until it is conceivable that such practice could result in a besieging, on the part of all communities, of the newly established bureau for a subsidy which, if granted, would mean the complete breakdown of local control and interest.

This is a safe principle: that control flows to the agency furnishing the funds. It cannot be otherwise.—

Extracts, see 11, p. 224.

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P R O

by Clyde R. Miller

Teachers' College, Columbia University

ONLY one thing can arrest the continuing breakdown of our schools and bring a return of educational opportunity to millions of American children now deprived of it.

That one thing is federal financial aid.

Congress has appropriated more than three billion dollars for public works. It has given through the Reconstruction Finance Corporation around three billion dollars to banks, railroads, insurance companies, and such enterprises.

Operation, building, and maintenance of schools should be included under federal aid. Federal money is needed today to open the closed schools, to restore the shattered curriculum, and to place once again on a pay roll scores of thousands of teachers who have been going without pay or have been living from hand to mouth on limited script payments.

Dams, roads, and bridges may be desirable, but *schools are necessary!*

Ninety per cent of the money spent for schools, moreover, will go into pay rolls which will immediately be spent in the local communities to bring once again some measure of prosperity to those communities.

Direct action by the Federal Government must involve appropriation of hundreds of millions of dollars.

These sums must be distributed among those states which are unable to finance public education.

The need is imperative. It becomes greater with every passing day.

As far back as January, 1933, it was revealed by the U. S. Office of Education's National School Survey that 9,500,000 American school children were without adequate educational facilities.

Hundreds of thousands of this number have since been deprived of all or nearly all school facilities.

The old bugaboo that federal aid means federal control is just that—a bugaboo.

This aid can be given on a strictly objective basis, determined by the financial status of the local community and the state of which it is a part, and by the needs of that community.

To raise the question of federal control at this time is to raise a question entirely academic.

Federal aid to our schools will mean no larger measure of federal control than we have already.

It does not and it will not mean that the Federal Government determine who will teach what.

The Federal Government, in the making of these school

appropriations, can set forth for all the states in the union desirable taxation plans, and recommend their adoption.

Such plans are in existence, ready at a day's notice. The Office of Education provided the basis of them in the National Survey of School Finance, published last January.

It is likely that out of the large and immediate grants of federal money for local schools there could come *within a year* vast improvements in state systems of taxation—improvements which otherwise would be delayed for a generation or longer.

The giving of federal aid will raise this issue and it can decide it, to the great advantage of the farmers and small property owners in the various states; for such tax reform means far less dependence upon the property tax and much greater emphasis on the income tax.

But the main point is not to argue either federal control, of which there will be no more than we have now, or systems of taxation.

The immediate aim is to remove those great barren areas where educational privileges are entirely lacking or are being increasingly curtailed.—*Extracts, see 13, p. 224.*

by B. L. Kirkscy

Superintendent of Schools, Rogers, Arkansas

BUD WARDLAW, a native of the hill country, married Sarah Chambers, a neighbor lass. To this union were born two children, a boy and a girl. The boy married a girl in Arizona and is now in business in that state. The girl married a business man in Buffalo, N. Y.

If education is a training for citizenship, wouldn't this example lead you to believe that it has become a national problem rather than a state, county or local community problem?

From recent resolutions passed by the educational council of the A.E.A., I am convinced that the educational forces in this state are ready and willing to accept federal help; however, they are somewhat evenly divided as to federal control. I believe that federal help would go a long way in solving the school situation, and I should not be opposed to some broad set-up of national supervision similar to the national supervision of public highways.—*Extracts, see 11, p. 224.*

by John J. Tigert

President, University of Florida
U. S. Commissioner of Education, 1921-28

EIGHT years of service in the U. S. Bureau of Education convinced me that federal support in public education would not be desirable. The most important considerations in this are:

1. Federal money would be followed by federal interference. Public education is, and should remain, a state and local responsibility.
2. The use of federal money for support of schools would decrease local support. The net amount available to schools would be no greater as local support would vanish about as fast as federal money became available. There would be a diminishing interest in local responsibility and other evils always attendant on paternalism.
3. Every state in the Union has adequate resources to provide a satisfactory, uniform system of schools.—*Extracts, see 11, p. 224.*

by J. Cayce Morrison

N. Y. State Department of Education

To have or not to have—that is the question. Obviously, the need is great. An ever increasing segregation of wealth is in process. In most states the tax system has broken down. Large areas are failing to provide even the barest minimum educational program. It is clear that the educational problem cannot be solved without a fair solution of the tax problem.

But why ask the federal government to undertake this obligation when most of the states have ignored the problem? Is there any prospect that the federal congress will perform this task better than the state legislatures? Will not the pouring of federal money into the states merely relieve the latter from tackling the job that is constitutionally theirs? And if the states do not solve this dual tax-education problem, is there any hope that the federal government could or would provide enough money to save education?

I am not opposed to the principle of federal aid for education but I think that the federal approach has elements of danger and futility until the several states have put their own houses in order. The attack of the friends of public education should be centered on the states. Every state legislature should be called into session this winter and kept in session until it finds an adequate solution of the tax and educational problems. Then we shall understand better the part the federal government should plan in guaranteeing a reasonable educational opportunity to every child in America.—*Extracts, see 11, p. 224.*

by Isaac E. Stutsman

Superintendent of Schools,
Greeley, Colorado

I FIND myself, within the last two years, with a changed thinking relative to the federalization of the public schools. Previous to that time, I was a strong active believer that only through most direct control by the federal government could education hope to reach its highest objectives. I hoped that this control by the federal government would be not only mechanical, but financial and philosophic.

It may be that a growing impatience with the loss of democracy in those activities outside of the school has changed my attitude toward the federalization of the public school itself. Further, I think it probable that personal experiences in dealing with the people directly, even in these times, lead me to feel increased confidence in the fundamental desire of the people to do at all times a better and safer job of education than any hierarchy of officials could do for us.

I think probably it would be well if America would keep one fundamentally democratic thing in the hands of its people if for no other reason than its value as a balance wheel in the government, which is becoming a bit difficult to recognize or classify in a broader political sense.—*Extracts, see 11, p. 224.*

by T. C. Holly

Ohio State University

I AM opposed to a federal subsidy for education as a permanent policy unless it carries with it a careful check or appraisal on the use of this subsidy. This implies a control by the federal government, the wisdom of which seems doubtful. Such control, so far removed from the teachers and pupils, tends toward an inflexible organization not sensitive to social changes and varying conditions. It also creates a powerful instrument, which has been used in other countries to control public opinion.

In view of the desperate condition in which public education now finds itself, the second issue is the wisdom of a federal subsidy as a temporary measure. Were it not for the extent to which the federal government has assumed responsibility for unemployment and relief, both of which have generally been regarded as local responsibilities, a subsidy for education as a temporary measure could be defended. Since the federal government has no magic power to create means as evidenced by our public debt, now the highest in history and still mounting, I do not favor the addition of another major responsibility. I think it better that each state through emergency taxes, such as sales and income taxes, meet its own educational need.—*Extracts, see 11, p. 224.*

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¶ Articles for which no source is given have been specially prepared for this number of *The Congressional Digest*.

- 1—(Covert) From an article in *School Life*, September, 1934.
- 2—(Russell) From an address before Department of Superintendence, Cleveland, Ohio, February 27, 1934.
- 3—(Nat. Adv. Comm. on Education) From "Federal Relations to Education," Report of Nat. Adv. Comm. on Education, Wash., D. C., 1931.
- 4—(Johnson) From an article in *The Catholic Educational Review*, February, 1934.
- 5—(King) From the *Congressional Record*, January 21, 1931.
- 6—(Mort) From an article in *The Nation's Schools*, January, 1934.
- 7—(Mann) From the hearings before the U. S. House Committee on Education, February 27, 1934.
- 8—(Engelhardt) From an article in *The Nation's Schools*, February, 1934.
- 9—(House Com. on Education) From House Report No. 1562, 73rd Cong., 2nd Sess., May 10, 1934.
- 10—(Jardine) From the Report on Agricultural Experiment Stations, U. S. Dept. of Agriculture, 1934.
- 11—From *The Nation's Schools*, "What Others Have to Say." A symposium on Federal Aid, appearing in January, February, March and April, 1934.
- 12—(Goldthorpe) From an article in *School Board Journal*, May, 1934.
- 13—(Miller) From an article in *School Executives*, December, 1933.

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